



SUSTAINABILITY REPORT 2023

SHIFTING GEARS TO ACCELERATE THE PATH TO NET ZERO

CONTENTS

Introduction

- 4 CEO letter
- 6 Our company
- 7 Our track record
- 9 Our commitment
- 12 Lifetime Avoided Emissions (LAE)
- 16 Our structure

Supporting our clients

- 19 Sustainable investment solutions
- 23 Speciality investment strategies
- 26 Knowledge sharing

Developing, constructing & managing essential assets

- 29 Aquila Clean Energy EMEA
- 33 Aquila Clean Energy APAC
- 36 Aquila Sustainable Infrastructure
- 43 Our ESG management framework
- 48 Our supply chain

Supporting our communities

- 52 Stakeholder engagement
- 54 EMEA stakeholder engagement & giving back
- 55 APAC stakeholder engagement & giving back

Leading by example

- 61 Supporting our employees
- 65 Global workforce statistics 2023
- 67 Managing our operations

Appendix

- 72 Aquila Group KPIs 2021-2023
- 73 Task Force on Climate-related Disclosure (TCFD)
- 75 Glossary of terms
- 79 Image credits

INTRODUCTION

- CEO letter
- Our company
- Our track record
- Our commitment
- Lifetime Avoided Emissions (LAE)
- Our structure

CEO LETTER

Shifting gears to accelerate the path to Net Zero



“In 2023, all our actions supported the achievement of our goal - to avoid 1.5 bn tonnes of CO₂e emissions across our portfolios’ lifetime by 2035. We achieved positive performance in all our businesses and our clean energy portfolio shows the potential to avoid up to 130 m tonnes CO₂e over its lifetime. We remain confident in our ability to achieve our aim.”

Although 2023 was a challenging year for all infrastructure investments due to rising input and financing costs, Aquila Group’s businesses achieved most of our goals. By the year’s end we registered 15 bn euros of assets under management with 19.8GW of capacity installed or under development in wind energy, solar photovoltaic (solar PV), hydropower assets and battery energy storage systems (BESS)¹. This represents 776 wind turbines, 258 solar PV parks and 291 hydropower plants which together have the potential to avoid up to 130 m tonnes CO₂e over their lifetime. In addition, we now have a track record of 1.3 m sqm of Green Logistics projects completed or under development, with our clients also investing in energy efficiency, carbon forestry and data centres.

To foster our growth we embarked on a transformative development in our fund and asset management business, Aquila Capital Investmentgesellschaft mbH (Aquila Capital) at the end of last year. We entered a strategic partnership with Commerzbank to establish Aquila Capital as a major European player for financing the energy transition and catalyst for the economy’s decarbonisation efforts.

Our joint aim for Aquila Capital is to become one of Europe’s leading asset managers for sustainable investment strategies with the goal to triple assets under management in the next five years. Decarbonising the world’s economy requires massive public and private investment. This partnership extends our offering to a wider range of clients, including private investors, institutions, and corporates, thereby mobilising a larger amount of capital towards the path to Net Zero.²

Shifting gears to accelerate the path to Net Zero wasn’t our only focus in 2023. We also defined goals for our corporate carbon footprint and employee satisfaction to underpin the role that we play in leading the way, strengthened our processes for how we tackle ESG risks in our value chain and made our methods more transparent. To ensure that we govern ourselves and our business partners for a positive societal impact we decided to become a UN Global Compact participant. Our published lifetime avoided emissions methodology makes transparent how we measure our progress towards our goal – to avoid 1.5 bn tonnes of CO₂e in our portfolio’s lifetime by 2035 – and promotes the adoption of avoided emissions measurement to mobilise more investment into climate solutions. This is an important complement to Scope 1-3 emission reductions as it helps us to identify effective solutions on the path to Net Zero and enables more investment into those technologies.

¹ Aquila Group AuM includes registered funds, legacy funds, and other financing vehicles (e.g. bonds) as well as applicable asset leverage values. Mandates for which Aquila Capital is an investment manager are also captured.

² The partnership is still subject to the official authorisations and is expected to be closed in Q2 2024. More information can be found in the [press release](#).

CEO LETTER

The question of how we can successfully complete the energy transition was another topic we explored more comprehensively using a climate study commissioned with the Potsdam Institute for Climate Impact Research (PIK). This research demonstrated that Europe can achieve power sovereignty and electricity generation free of fossil fuels by 2030 with current clean energy technologies and that the entire energy system, including what is required for the electrification of heat production, could be fossil fuel free by 2040. While these results are promising we know that there is still a lot of work for us to do as the levels of investment in clean energy are still far behind what is needed. To reach energy sovereignty using renewables, the resources for the buildout of wind and solar PV sectors must be expanded significantly and quickly, requiring annual growth rates of 20% until 2030.

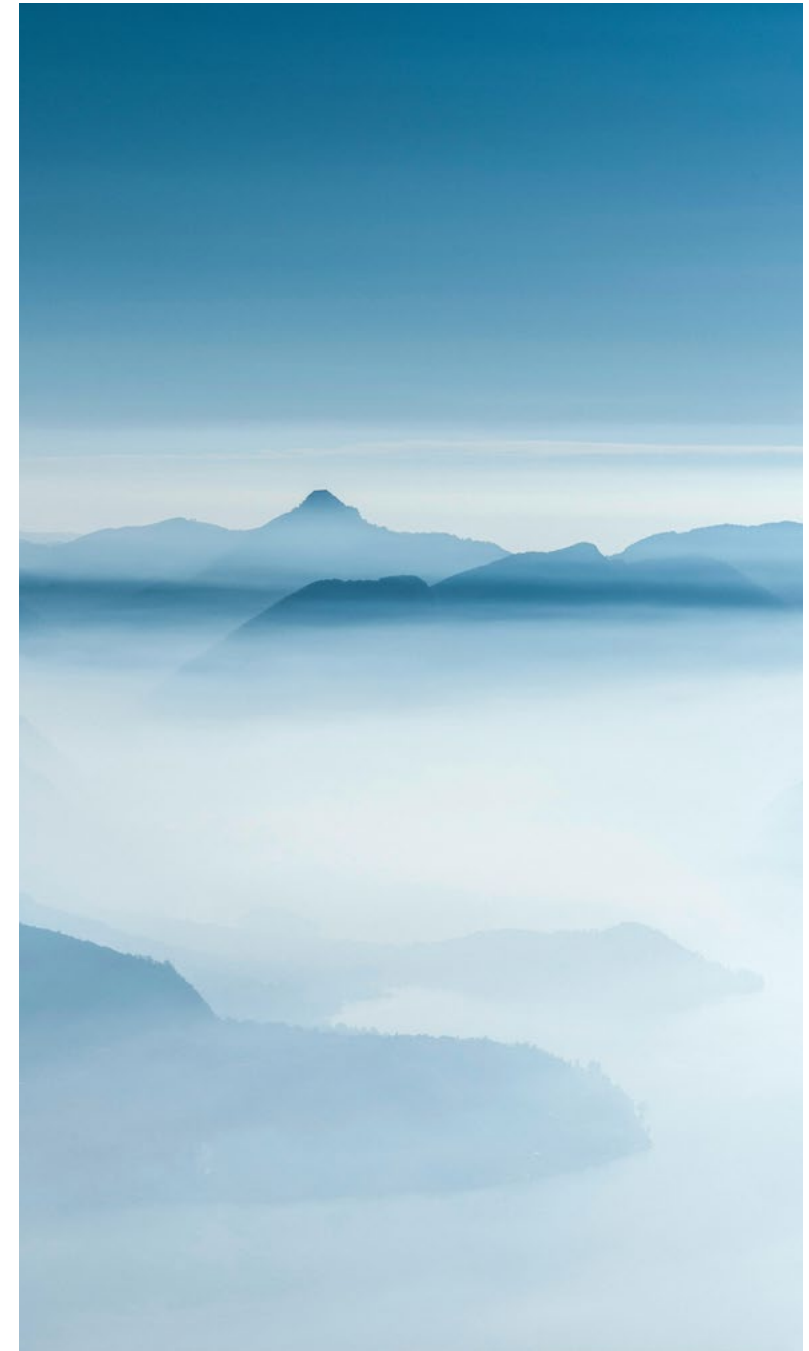
In this year's Sustainability Report we outline our main achievements and focus areas. We structured this document to highlight our progress along the pillars of our commitment which includes transparency into the practical application of our ESG management approach across the value chain which remains a process of continuous improvement.

We maintain a positive outlook for our business in 2024 and beyond. In 2023 we demonstrated resilience against a negative market environment and used these headwinds to challenge our plans and businesses. As a result, we positioned ourselves to capitalise on new opportunities and are set up perfectly for a stabilisation in markets, particularly energy prices, construction costs and interest rates. Most importantly, we remain committed to mobilising capital towards the energy transition and the decarbonisation of the world's economy – a trend we believe will remain a strong secular driver for decades to come.



ROMAN ROSSLENBROICH

Co-Founder and CEO



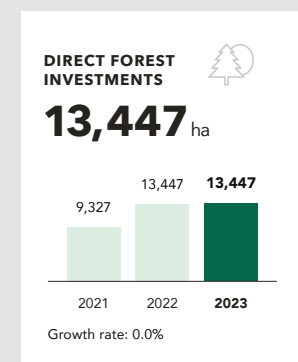
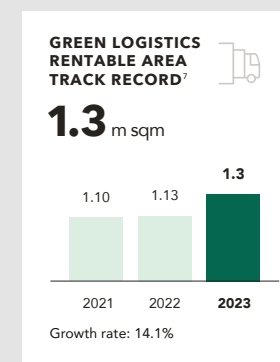
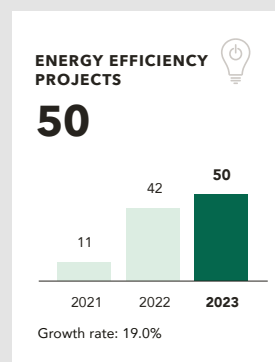
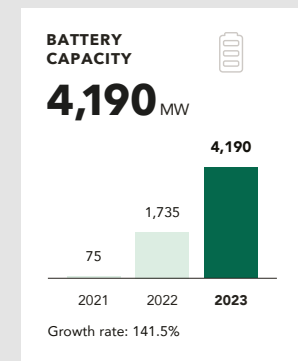
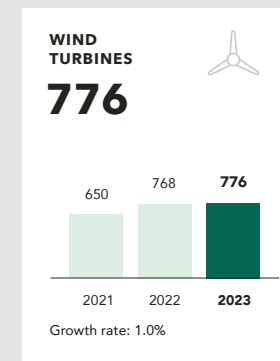
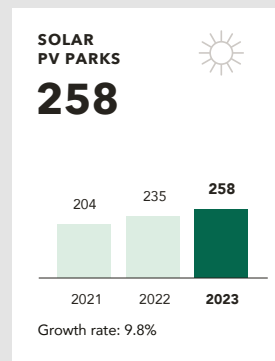
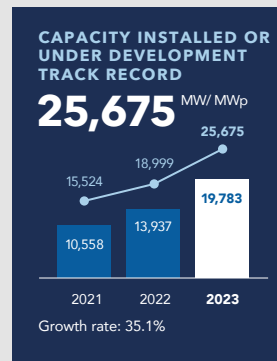
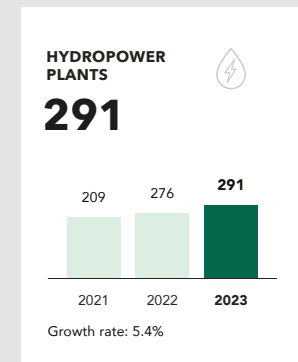
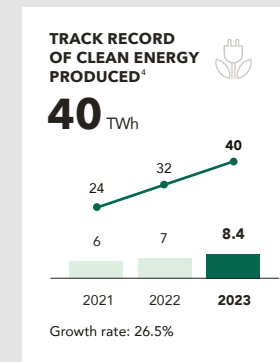
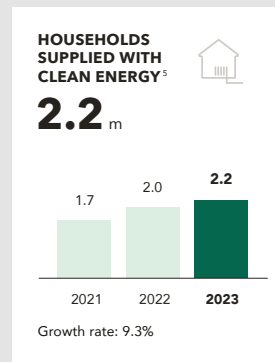
OUR COMPANY

LOOKING BACK ON 2023

Aquila Group is a founder and partner owned group of companies specialised in investment and asset development with a focus on essential assets. Essential assets include anything related to expanding or renovating the world's low-carbon infrastructure.

Currently this includes clean energy (wind energy, solar PV, hydropower and battery storage), sustainable infrastructure (logistics and our data centre business AQ Compute) and specialty asset classes, such as carbon forestry, energy efficiency, and growth private equity in climate change mitigation. With our investment activities, we contribute to the global energy transition and decarbonisation of the world's economy.

By the end of 2023, we had 15 bn euros of assets under management.¹ We have a track record of 25.7 GW capacity installed or under development, with 19.8 GW in our current portfolio comprised of wind energy, solar PV, hydropower assets and battery energy storage systems (BESS). This represents 776 wind turbines, 258 solar PV parks and 291 hydropower plants which together avoided 12.5 m tonnes CO₂e emissions to date.² Additionally, we have a track record of 1.3 m sqm of Green Logistics projects and several data centres under development and construction. Our clients are also invested in a forestry portfolio of 13,447 ha and in 50 energy efficiency projects across Europe. We ended the year with a total 714 employees across 59 nationalities, whom we call 'eagles', operating across 18 countries worldwide (For more information, please refer to our global workforce statistics on [page 65](#)).³



1 Aquila Group AuM includes registered funds, legacy funds, and other financing vehicles (e.g. bonds) as well as applicable asset leverage values. Mandates for which Aquila Capital is an investment manager are also captured.

2 Wiebeck,A, Arndt,B., 2023: "Lifetime avoided emissions". 2023 actual annual avoided emissions were 2.4 m tonnes CO₂e bringing the total cumulative emissions to 12.5 m tonnes CO₂e as of 31.12.23. The definition of CO₂ equivalents (CO₂e) can be found in the glossary.

3 The total number of employees excludes working students and interns.

3 Bar charts indicate annual clean energy production.

4 Eurostat, 2018. For more information, see glossary.

5 Based on cumulative data.

6 Includes already divested assets.

OUR TRACK RECORD

More than 15 years experience focused on climate change

Founded in 2001 by Roman Rosslbroich and Dieter Rentsch, Aquila Group started to focus on climate change mitigation in 2007 with the launch of two funds focused on climate protection and forestry management, after deciding to manage our corporate carbon footprint (Scope 1-3) in 2006. We started making direct investments in renewable energy assets with wind energy in 2009, solar PV in 2010 and hydropower in 2011.

Another important milestone was obtaining our license as an alternative investment fund manager in Luxembourg and Germany in 2013, which enabled the structuring and distribution of alternatives funds that invest in assets for the energy transition and decarbonisation of the world's economy. That same year we also made our first direct investment for our Green Logistics business.

To continuously enhance our sustainability standards, we joined UNEP FI in 2008, started to benchmark our infrastructure assets on their ESG performance using the Global Real Estate Sustainability Benchmark (GRESB) in 2016 and became a signatory to the PRI in 2018. (For more details, see [page 21](#)).

To meet the growing demand for capital and accelerate our expansion into Asia, a strategic partnership with one of Japan's largest investment banks, Daiwa Energy & Infrastructure, was established in 2019. In the following year, we entered the energy efficiency and data centre markets to further broaden our investment universe available to clients.

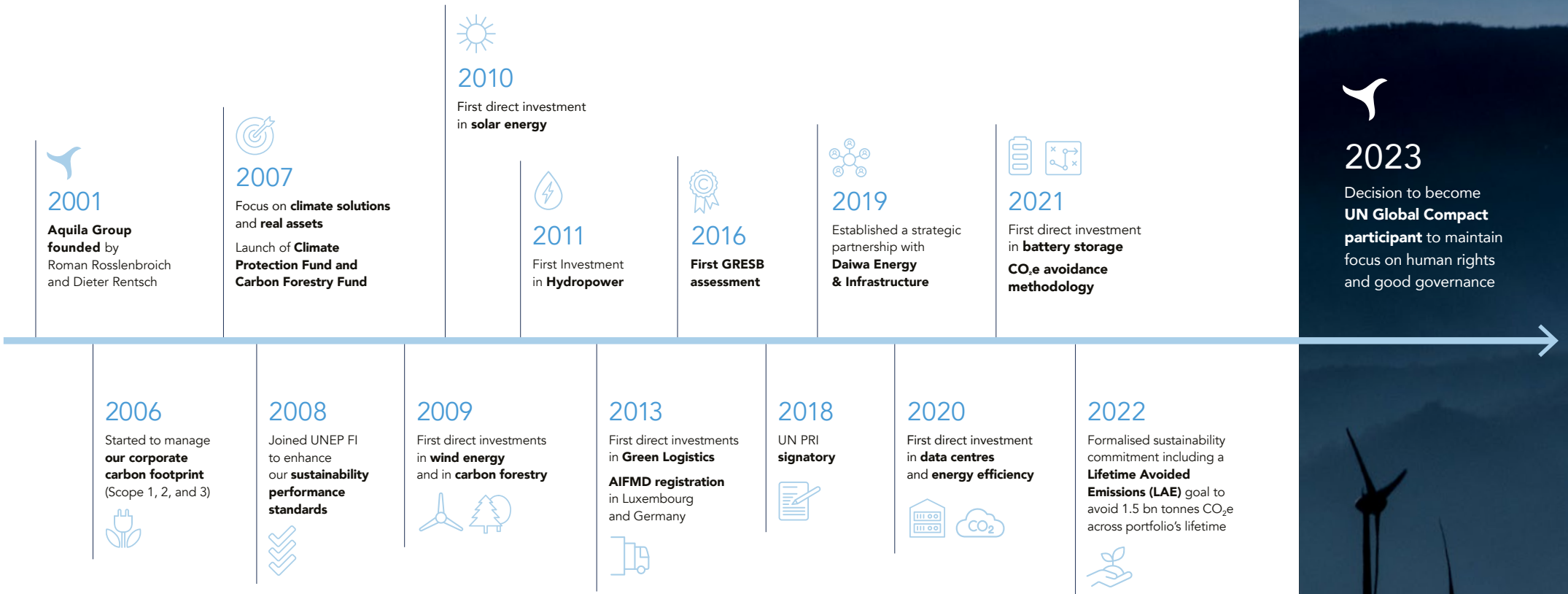
In 2022 to measure our commitment to sustainability and the fight against climate change, we introduced a group-wide goal – to avoid 1.5 bn tonnes of CO₂e over the lifetime of our assets by 2035. We decided to do this on the back of work initiated in 2021 to create a science-based methodology for lifetime avoided emissions (LAE). In 2023 we finalised our approach and disclosed our progress for the first time. By measuring our LAE contribution, we are educating ourselves and our investors on an important factor within the energy transition that hasn't yet become mainstream. (For more details, see [page 12](#)).

At the end of the year, we entered a strategic partnership with Commerzbank to establish Aquila Capital Investmentgesellschaft as one of Europe's leading asset managers for sustainable investment strategies.¹ We also decided to become a UN Global Compact participant to maintain our focus on human rights and good governance.

¹ The partnership is still subject to the official authorisations and expected to be closed in Q2 2024. More information can be found in the [press release](#).



OUR TRACK RECORD



OUR LATEST ACHIEVEMENTS



2023

Decision to become UN Global Compact participant to maintain focus on human rights and good governance

OUR COMMITMENT

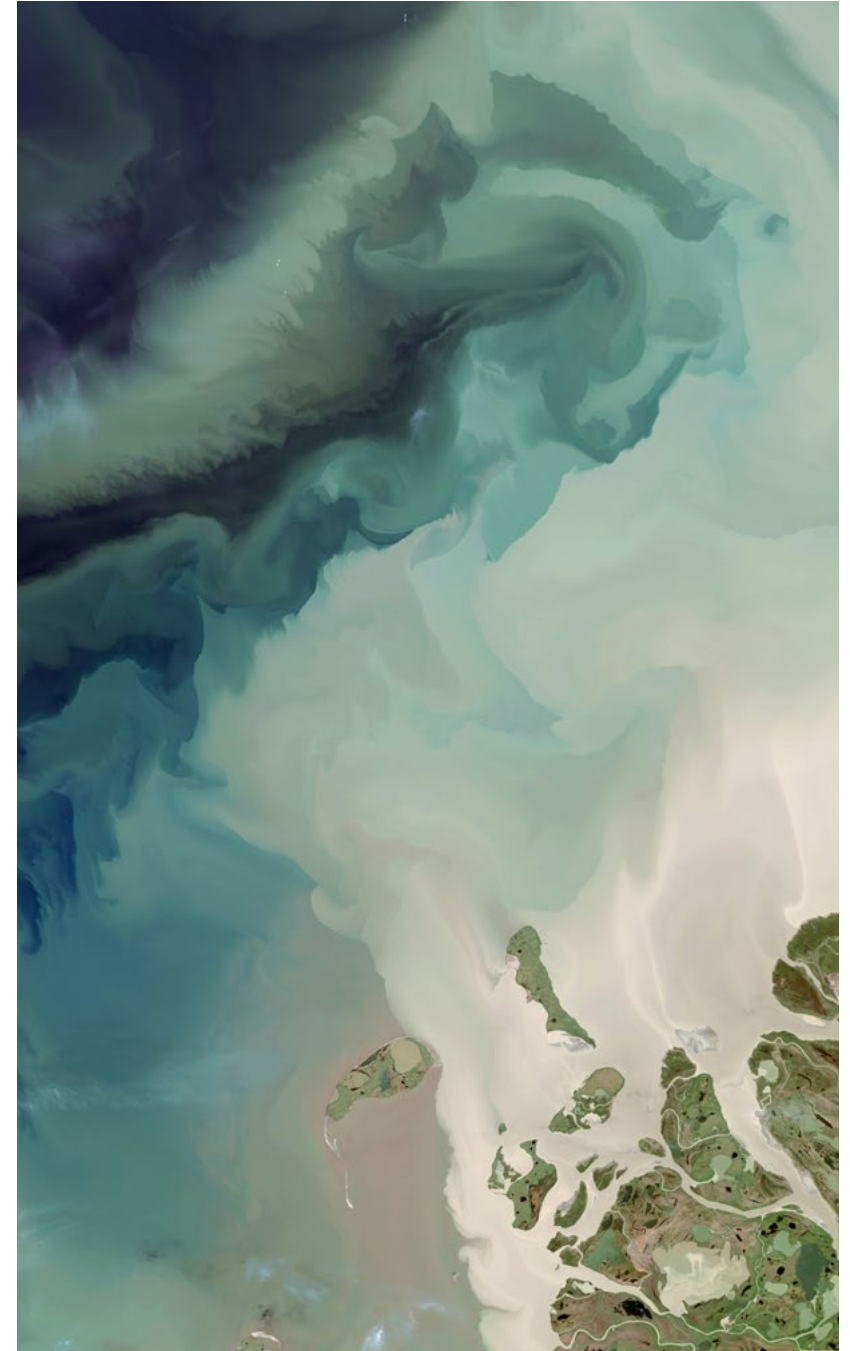
Defining sustainability at Aquila Group

Driving the world's transition to Net Zero is at the heart of our business model. We take a long-term view as we develop, build, and operate essential assets in a sustainable way.¹ While our actions and decision-making are guided by our understanding of environmental and social impacts, a big part of sustainability at Aquila Group is also about transparency.

It's about how we measure these impacts and the tools and processes we have developed for our employees to manage them. To become more sustainable, we set ambitious targets for ourselves and disclose our progress towards these goals annually.

Sustainability doesn't equate to perfection, nor does it guarantee zero negative impacts on the environment or society. Admittedly, our activities can, at times, have adverse effects. Therefore, sustainability at Aquila Group involves us having the means and expertise to assess our business impact, create mitigation plans to help us manage any potential negative effects to the maximum extent possible and use every effort to boost the positive outcomes for all our stakeholders. It requires that we have a strategy that we implement across all areas of our company with guidance from our senior leaders and that we are committed to the ongoing refinement of our approaches and methods for the wellbeing of our employees, partners, clients, communities, and investors. This is what we try to outline in this report, which details our progress towards our sustainability commitment which we first published in 2022.

¹ Please refer to the glossary for a definition of essential assets.



OUR COMMITMENT

In 2022 we published our sustainability strategy which we call the Aquila Group Sustainability Commitment and is synonymous to our business and climate strategy.

Aquila Group's mission is to become one of the world's leading sustainable investment and development companies for essential assets by 2030. Our focus on clean energy in the form of wind energy, solar PV, hydropower and battery storage, sustainable infrastructure such as Green Logistics and data centres, and development of new asset classes like carbon forestry, energy efficiency and growth private equity in climate change mitigation, is crucial to the world's transition to Net Zero. We believe this is a trend with tailwinds that will last throughout the decades.

To show commitment to our mission, we set a group-wide goal to avoid 1.5 bn tonnes of CO₂e by 2035 in our portfolio's lifetime, which is equivalent to 4% of worldwide CO₂e emissions in 2021.²

We plan to achieve this goal by initiating, developing, and managing essential assets along their entire value chain and through their full lifecycle, around the world.

In essence, our goal is to develop, construct, operate and manage all our assets for the long term and work to provide appropriate returns to all our stakeholders.

Our climate strategy is embedded into our commitment as is our business strategy. They are one and the same. The summary of our climate-related risk and opportunities aligned to the Task Force on Climate-Related Disclosure (TCFD) can be found in our appendix on page 73.

Inherent in our mission to support climate mitigation or 'climate action' (SDG 13), is our commitment to mobilise capital to all related Sustainable Development Goals (SDGs) such as:

- SDG 7: Affordable and clean energy
- SDG 9: Infrastructure and innovation
- SDG 11: Sustainable cities and communities



We support these SDGs through the achievement of our commitment.

OUR MISSION CAN BE IMPLEMENTED ACROSS FOUR AMBITIONS.

BY 2030 WE AIM TO BE:

1 A LEADING PLAYER
in generating essential assets in a sustainable way.

2 ONE OF EUROPE'S LEADING ASSET MANAGERS
for sustainable investment strategies.

3 RECOGNISED AS AN INDUSTRY PLAYER
who cares about the community.

4 AN ORGANISATION THAT LEADS BY EXAMPLE
in managing our own environmental footprint and supporting our talents to thrive and grow.



"This year we defined clear targets underlying our ambitions, improved processes for ESG risk management, increased transparency and decided to participate in the UN Global Compact. We also published our lifetime avoided emissions (LAE) methodology to mobilise more capital for the energy transition."

ANGELA WIEBECK
Chief Sustainability Officer

² Worldwide CO₂e emissions in 2021 were 40.8. bn tonnes according to the International Energy Association (IEA): Global Energy Review: CO₂ Emissions in 2021, March, 2022, p11.

2023 IN REVIEW

This year we enhanced our strategy by adding concrete goals, making our methods and processes more transparent and aligning actions behind each of our ambitions.

In 2023 we also published our methodology for measuring our group-wide goal – to avoid 1.5 bn tonnes CO₂e across our portfolio's lifetime by 2035. We published this lifetime avoided emissions (LAE) methodology for two reasons. First, to promote the adoption of avoided emissions across the industry to mobilise more investment into climate solutions. Second, to show how we measure our progress in a thoughtful, rigorous, and science-based way.

AMBITIONS

1 A leading player in generating essential assets in a sustainable way

Sustainable approach as demonstrated by:

- Capacity installed or under development/ track record of clean energy produced
- MW battery storage capacity
- Sqm of Green Logistics rentable area
- ESG management framework
- Avoided emissions and lifetime avoided emissions (LAE)

2 One of Europe's leading asset managers for sustainable investment strategies

Institutional and private clients seeking sustainable investments – demonstrated by the size of AuM⁵

3 An industry player that cares about the community

Recognised for caring about the community as shown by the acknowledgement of our efforts to engage with communities in the areas of our projects and our operations

4 An organisation that leads by example

Management of our own environmental footprint and actions as well as how we support employees to thrive and grow as demonstrated by:

- Indicators and/or proxies of employee satisfaction
- Goals to reduce Scope 1-3 emissions
- Adherence to standards and processes for responsible business practices

2023 PROGRESS³

- 19.8 GW Capacity installed or under development/Track record of 25.7 GW, up 42% and 35% respectively
- 4,190 MW battery storage capacity, up 142%
- 1.3 m sqm track record of Green Logistics, up 14%
- Current portfolio avoided 12.5 m tonnes CO₂e cumulatively and has the potential to avoid up to 130 m tonnes CO₂e over its lifetime⁴
- Published how we manage ESG factors in the [ESG Integration Policy](#)
- Defined standards and processes for ESG management by business partners in the Code of Conduct
- Aquila Group AuM reached 15 bn EUR, up 2%
- Increased Article 8 & 9 penetration under Sustainable Financial Disclosure Regulation (SFDR) to 88% from 73% (See [page 21](#))⁶
- Entered strategic partnership with Commerzbank with joint goal to triple Aquila Capital's AuM in 5 years⁷
- Solar PV plant in Cercal, Portugal awarded IJGlobal ESG Renewable Energy Award for innovation with environmental and social benefits (See [page 56](#))
- Continued stakeholder engagement and corporate philanthropy across EMEA and APAC (See [page 54](#) and [55](#))
- Defined a target for voluntary employee turnover of 15% or lower (See [page 61](#)) until 2025⁸
- Set a 2030 goal to reduce business travel emission intensity by 20%, bringing emissions per employee down from 1.72 tCO₂e to 1.37 tCO₂e (See [page 67](#))
- Revised Aquila Group Code of Ethics to align employee actions to our values, ESG management framework and UN Global Compact

³ As of December 31st 2023. Increases/decreases relative to December 31st 2022.

⁴ Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions." The LAE potential ranges from 70 to 130 m tonnes CO₂e. The baseline for the calculation has been set to IEA's World Energy Outlook 2022 and will be reviewed every 3-5 years. 2023 actual annual avoided emissions were 2.4 m tonnes CO₂e bringing the total cumulative emissions to 12.5 m tonnes CO₂e as of December 31st 2023.

⁵ Please note this is not to be understood in the context of sustainable investments under SFDR. Aquila Group AuM includes registered funds, legacy funds, and other financing vehicles (e.g. bonds) as well as applicable asset leverage values. Mandates for which Aquila Capital is an investment manager are also captured.

⁶ Pertains to all funds in scope of the regulation as of December 31st 2023.

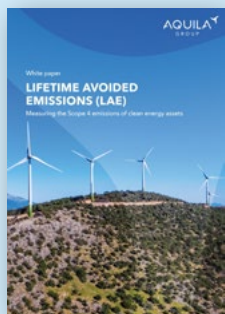
⁷ The partnership is still subject to official authorisations and expected to be closed in Q2 2024. More information can be found in the [press release](#). Aquila Capital Investmentgesellschaft mbH reported 4.42 bn euros AuM to BaFin as of December 31st 2023.

⁸ Voluntary turnover represents employees who choose to leave Aquila Group voluntarily and is used as a proxy for employee satisfaction.

LIFETIME AVOIDED EMISSIONS (LAE)

What gets measured, gets managed

In 2021, we started to define our LAE methodology and have been providing updates in our Sustainability Report ever since. This year we reviewed our approach and decided to use the energy system models of the International Energy Agency (IEA) to predict the future energy grid mix as a foundational element of our approach.



Our LAE methodology for clean energy shows **how we measure LAE, why it is important and what our learnings are to date.** It marks the end of a comprehensive exercise to create a robust and credible approach.

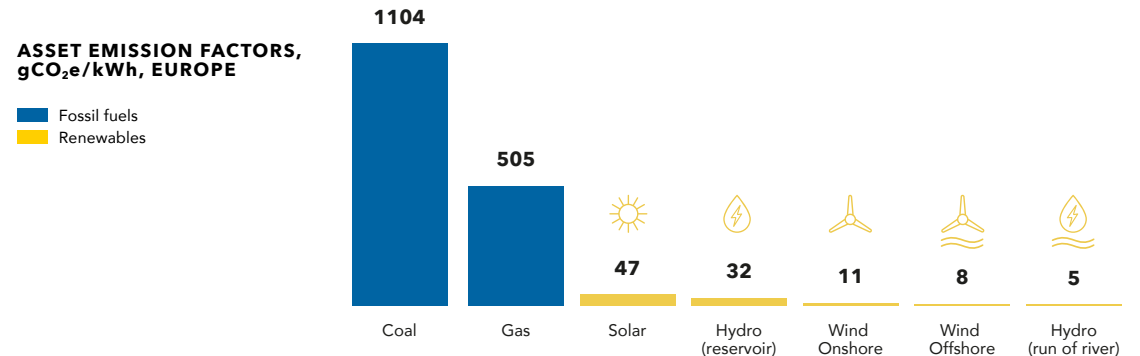
1

WHAT ARE LIFETIME AVOIDED EMISSIONS?

LAE measures the comprehensive CO₂e impact of climate solutions by taking into account emissions created in construction, operation and decommissioning, operational lifespan and the grid energy mix, amongst other factors.

The main contribution of clean energy to climate change mitigation is its ability to replace, in other words avoid, more emission-intensive alternatives – in CO₂e terms. The ‘embodied emissions’ of clean energy assets are negligible compared to conventional generation methods, but this potential is not captured in traditional Scope 1-3 emission measurement methods. Scope 1-3 measure the emissions that **are** released into the atmosphere capturing the current state of emissions and mapping the world’s progress to Net Zero by 2050, the level all scientists agree is required to reach the Paris Agreement.

Avoided emissions, or Scope 4 emissions, bridge this informational deficiency. They measure emissions that **are not** released into the atmosphere because of an innovation, action, or policy.¹ Leveraging this concept, LAE measure the expected climate impact of clean energy assets over their lifetime. This forward-looking approach for emission avoidance can be a helpful tool to guide investment decisions and innovation for decarbonisation.



1 World Resources Institute, November, 2013: “Do We Need a Standard to Calculate Avoided Emissions?”

2

WHY ARE LAE IMPORTANT?

By quantifying the climate impact of emission-avoiding solutions, LAE can mobilise more capital towards Net Zero.

With LAE, we can promote the efforts of industries and companies focused on the creation of emission-avoiding technologies which is important because:

- Annual worldwide carbon emission data shows that we haven't peaked yet. In 2023, we registered an additional 410 million tonnes CO₂, a 1% increase over 2022 emissions.²
- Our growing emission 'run rate' remains counter to scientific consensus stating that emissions need to be reduced to zero by 2050; with 50% of this reduction expected by 2030.
- Current investment flows still prove to be far below what is needed.³

We believe that LAE can help mobilise more capital for the decarbonisation of our economy by quantifying the climate impact of emission-avoiding solutions in CO₂e terms. In the spirit of 'what gets measured gets managed', avoided emission measurement provides additional data – CO₂e avoidance potential and actuals – to consider while making investment decisions.

3

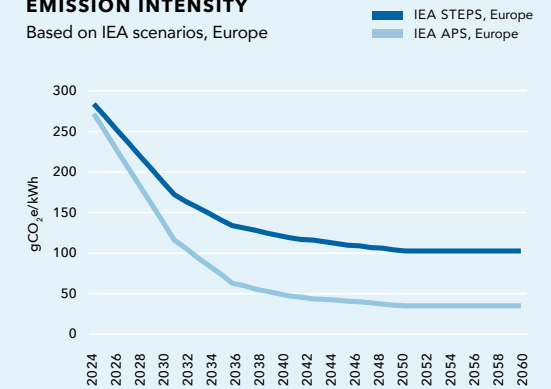
WHAT DID WE LEARN?

Time, location and technology are the main factors influencing clean energy LAE.

As we continued to evaluate our methodology in 2023, we spent considerable effort to test and model the different types of scenarios that we could use to predict the future energy grid mix for our use case. We decided to use the scenarios of the IEA's World Energy Outlook to inform our predictions of the electricity grid mix (see chart above). IEA is an established organisation for global energy-related research and its scenarios are widely adopted in the financial industry and beyond. They focus purely on energy systems as a modelling framework, and thus deliver more frequent updates as well as more comprehensible assumptions to support strategic decision-making. The Announced Pledges Scenario (IEA APS) models a decarbonisation pathway based on countries' announced ambitions and targets assuming they are fully implemented, while the IEA Stated Policies Scenario (STEPS) provides a more conservative benchmark because it does not assume governments will reach all announced goals.

PROJECTED GRID EMISSION INTENSITY

Based on IEA scenarios, Europe



Using these projections, the measurement of LAE gives us information on the avoidance potential of our clean energy assets. The three main drivers influencing LAE potential for our clean energy portfolio are time, location, and technology. By further investigating the sensitivity of these and by adding granularity in our measurement methods we hope to enhance the information we have about the emissions created from each asset class as well as the optimal phase and region of an asset's acquisition, development and construction.

Our current learnings are preliminary, and we aim to develop them further as we continue to enhance our understanding of LAE. We believe that our white paper supports the creation of a standardised methodology for clean energy assets, which is increasingly important to manage investment flows more effectively.

² IEA News, March, 2024: Major growth of clean energy limited the rise in global emissions in 2023.

³ According to a study coordinated by the Potsdam Institute for Climate Impact Research, the annual investment required for the European electricity sector to achieve electricity generation free of fossil fuels by 2030 is 140 bn euros, representing a 20% annual growth rate. More information can be found [here](#).

4

WHAT DOES THIS METHODOLOGY TELL US ABOUT OUR 1.5 BN TONNES AVOIDANCE GOAL?

Our goal to avoid 1.5 bn tonnes of CO₂e over our portfolio's lifetime by 2035 is ambitious. To put this into context, it is equivalent to Europe's current fossil fuel emissions for electricity generation.⁴

In 2023, we made our approach to measure LAE public and disclose our progress for the first time. Our white paper outlines the intricacies of this calculation, which takes into account a variety of factors including:

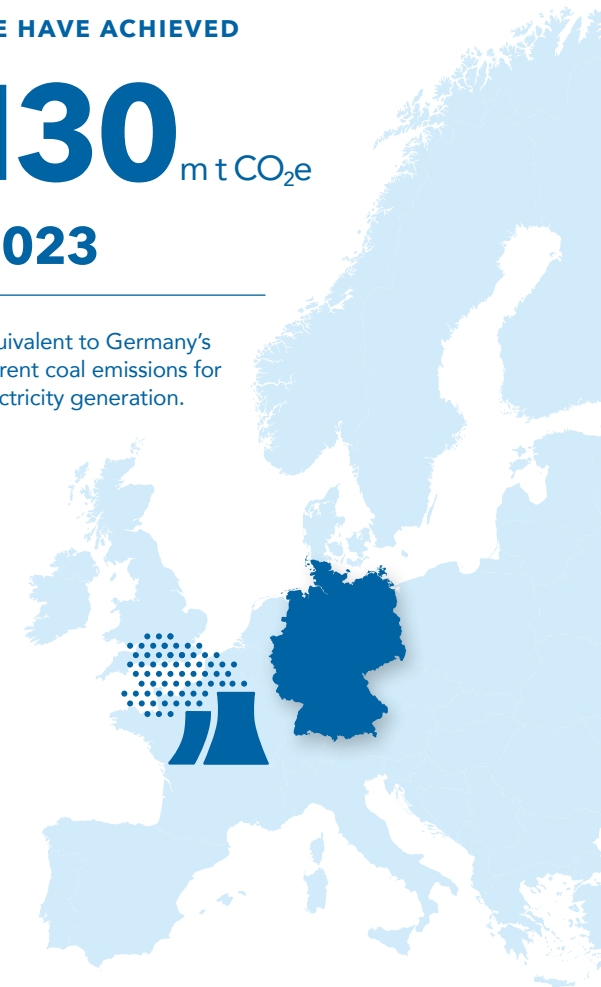
- Actual and projected electricity production of our clean energy assets;
- Asset-specific emissions, such as raw material sourcing, manufacturing, transport, installation, use phase and decommissioning; and
- Region-specific projected grid intensity.

To acknowledge the fact that the future is difficult to predict we use scenarios developed by the International Energy Agency (IEA) to project the grid intensities of regional energy systems – IEA Announced Pledges and IEA Stated Policies – reflecting different political ambition levels for the decarbonisation of the energy sector. While the resulting range of LAE for our portfolio is still broad, these estimates are replaced with actuals as we progress towards 2035 to narrow this band over time. Further we recognise that all projections of the future electricity grid are unlikely to occur as laid out and thus continue to evaluate these scenarios and their underlying impact on our LAE methodology. We want to ensure that this analysis is scientifically robust, as accurate as possible, and suitable for the measurement of our business activities.

WE HAVE ACHIEVED

130 m t CO₂e
2023

Equivalent to Germany's current coal emissions for electricity generation.



⁴ Ember-Climate Electricity Data Explorer, March 2024, Europe's fossil-based CO₂e emissions in the electricity sector were 1,571 m tonnes CO₂e in 2022.

WE HAVE ACHIEVED

130 m t CO₂e

Equivalent to Germany's current coal emissions for electricity generation.



Using our methodology we estimate that our current clean energy portfolio has the potential to avoid 70 to 130 m tonnes CO₂e emissions, the latter of which is equivalent to Germany's current coal emissions for electricity generation.⁵ Despite the many variables and long-time horizon for our goal we remain optimistic based on our progress thus far, which is a measurable achievement relative to displacing the equivalent of Europe's current fossil fuel emissions for electricity generation.

When coupled with our long-standing track record of scaling our business for double-digit growth, regionally diversified footprint, and our ability to innovate quickly we think our ambitious goal is feasible. Moreover, as we outline further in this report, we expect significant acceleration and growth in our Aquila Clean Energy APAC business in the coming years which will form a large driver of our LAE potential. Further we expect ongoing innovation in our sector for decarbonisation which is another significant lever for lifetime avoided emission potential. In this vein we developed a sizeable utility-scale battery energy storage systems (BESS) business as an early mover. Additionally, we expect to invest in future decarbonisation solutions with the potential for scale to drive cost deflation both in existing and nascent technologies. We believe that LAE is a suitable metric to inform capital allocation decisions in this context.

GROUP TARGET

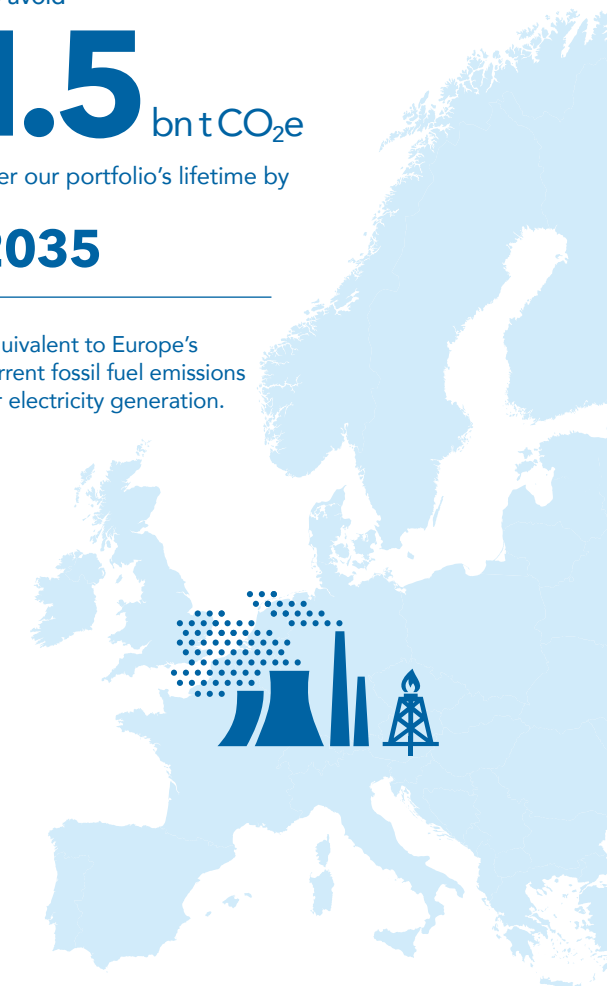
To avoid

1.5 bn t CO₂e

over our portfolio's lifetime by

2035

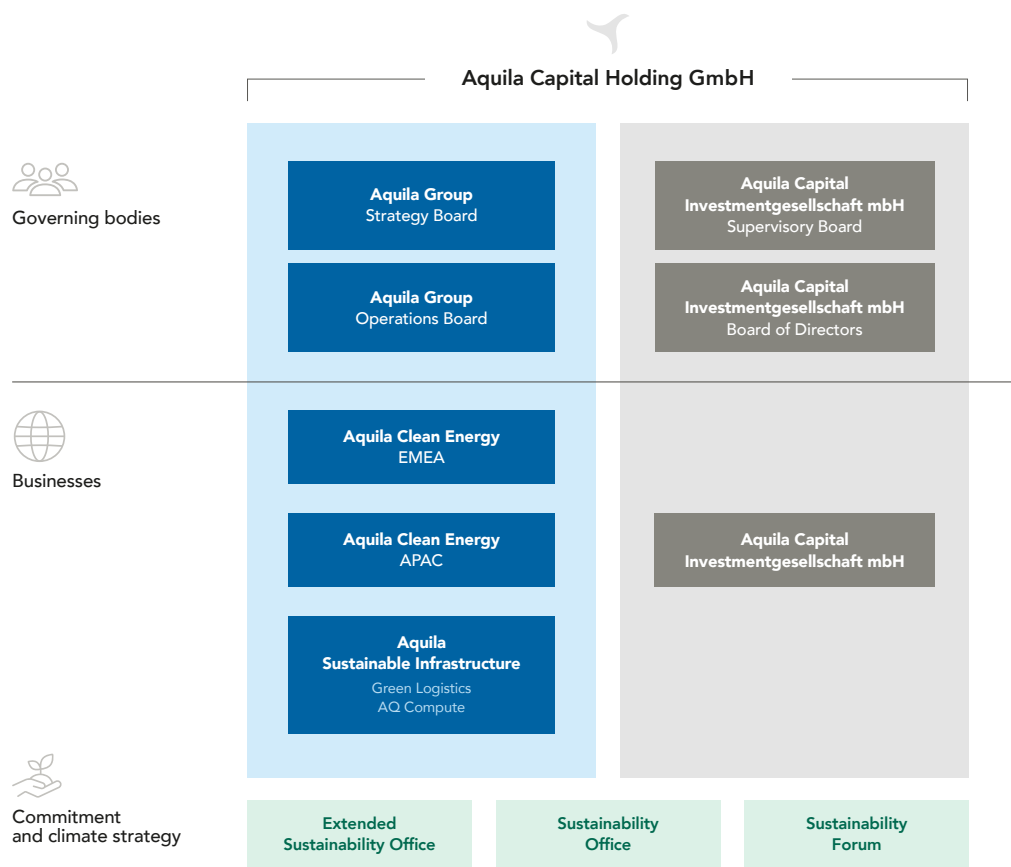
Equivalent to Europe's current fossil fuel emissions for electricity generation.



⁵ Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The LAE potential ranges from 70 to 130 m tonnes CO₂e. The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every 3-5 years. Ember-Climate Electricity Data Explorer, March 2024, Germany's coal-based CO₂e emissions of the electricity sector in were 131.18 million tonnes CO₂e in 2023.

OUR STRUCTURE

Aligning our governance for success



Sustainability Office leads creation and implementation of sustainability commitment across Aquila Group and ACI

Our structure and the regulatory landscape require governance across two dimensions, informing how we implement our sustainability commitment.

AQUILA GROUP

Our investment and asset development business, headquartered in Hamburg, Germany. As a diversified company, we are focused on generating and managing essential assets in clean energy and sustainable infrastructure. In this context, senior management and key corporate functions that define and align business entities to group strategy are assigned to holding company **Aquila Capital Holding GmbH**. As a lean owner-led set-up with financing and M&A expertise, this entity is focused on generating and seeding new investment ideas.

Aquila Clean Energy EMEA

Our clean energy business in Europe focused on advancing the energy transition by developing, managing, and owning clean energy assets. Aquila Clean Energy EMEA aims to be one of the industries’ most value creating deployers of capital in the green transformation with a focus on three areas: Solar PV, wind energy, and battery storage technologies.

Aquila Clean Energy APAC

Our clean energy business in Asia Pacific. With offices in Singapore, Australia, Taiwan, Japan, South Korea and New Zealand, Aquila Clean Energy APAC has a strong local presence in the region and focuses on solar PV, onshore wind, and battery storage technologies.

Aquila Sustainable Infrastructure

Comprised of the following stand-alone companies operating under their own brands developing and managing assets in Germany, Italy, Norway, Portugal, and Spain:

- **AQ Compute** as a pan-European platform for clients seeking data centre capabilities with a low carbon footprint.
- **Green Logistics** offers infrastructure assets for clients who seek support with the transportation, sorting and movement of physical goods in a low carbon and sustainable way.

Aquila Capital Investmentgesellschaft mbH (Aquila Capital)

Aquila Capital offers tailor-made fund vehicles and investment solutions to investors who wish to mobilise capital for the energy transition and decarbonisation of the world’s economy. Aquila Capital is fully licensed under German law and subject to supervision by the German Federal Financial Supervisory Authority (BaFin). Besides Germany, Aquila Capital also manages, respectively advises, funds and other vehicles in key European jurisdictions such as Luxembourg, the Netherlands, the United Kingdom and Switzerland.

OUR GOVERNANCE

Across Aquila Group, decisions about our sustainability commitment and ESG work are crucial. Therefore, they are made at the top of our organisational structure in two dimensions.

Aquila Group Strategy Board (AGS)

The AGS has the power to create and set group-wide strategies. Members include the company's co-founders, business unit heads and key functional group heads. Early 2023 the AGS approved the sustainability commitment of Aquila Group (see our commitment on [page 10](#)). It includes our mission to become one of the world's leading sustainable investment and development companies for essential assets by 2030.

Aquila Group Operations Board (AGO)

The AGO is important for steering and resourcing the implementation of our sustainability commitment. Business unit heads, functional group heads, and operational heads are members of the AGO which is chaired by our Chief Operations Officer. The AGO is updated regularly about progress on all key sustainability projects and programmes. It also shares governance responsibilities with the AGS.

Aquila Capital Investmentgesellschaft mbH Supervisory Board (Aquila Capital Supervisory Board)

Aquila Capital is fully regulated under BaFin, the German Federal Financial Supervisory Authority, with the licence to manage alternative investment funds (AIFs). It covers all activities where we have a fiduciary responsibility to our clients who are investing in clean energy and decarbonisation strategies.¹

The Aquila Capital Supervisory Board is the oversight body of our regulated entity and as such supervises and advises the Board of Directors in its management. All transactions of fundamental importance which include all key sustainability decisions are brought to the Supervisory Board for approval. Early in 2023 the Supervisory Board approved the sustainability commitment of Aquila Group (see our commitment on [page 10](#)).

Aquila Capital Investmentgesellschaft mbH Board of Directors (Aquila Capital BoD)

The Aquila Capital BoD oversees the strategic supervision, management and steering of the firm and determines the strategic orientation of the company. It is the most important decision-making body when it comes to steering and resourcing sustainability within Aquila Capital and receives quarterly updates with regards to the implementation of our sustainability commitment and all related sustainability reporting requirements. The BoD approved the sustainability commitment of Aquila Group early 2023 (see our commitment on [page 10](#)).

SUSTAINABILITY IMPLEMENTATION

We use several other platforms to ensure that the initiatives to deliver our sustainability commitment are embedded through the whole company, top-down and bottom-up:

The Sustainability Office

Comprised of the ESG department and the CSO – leads the way in putting our sustainability commitment into practice, working with senior leadership across both dimensions to embed sustainability across Aquila Group. Defining and advancing the sustainability commitment, monitoring progress, ensuring transparency, and supporting client discussions are focus areas. The Sustainability Office also creates ESG-related methodologies, tools and processes and leads the implementation of sustainability-related regulation.

Extended Sustainability Office

Includes sustainability managers from the business responsible for the management of ESG impacts in the development, construction and operation of essential assets and the sustainability office to align top-down and bottom-up processes to manage ESG risks across the value chain. Creates plans to resolve methodological, structural and/or resource challenges that arise while identifying, mitigating, and managing ESG impacts. It also supports the Sustainability Office with the implementation of the sustainability commitment.

Sustainability Forum

A platform that informs senior leaders across each business and in key functions of the progress being made and challenges inherent in the implementation of our sustainability commitment. Members are ambassadors for sustainability across the group and can provide guidance on organisational alignment and project design, especially where complex coordination and cooperation is required.

¹ Clients include international insurance companies, pension funds, regional banks, asset managers, churches, religious communities and family offices located in Germany, the Netherlands, the United Kingdom, France, Spain, Switzerland and Japan.

SUPPORTING OUR CLIENTS

- Sustainable investment solutions
- Speciality investment strategies
- Knowledge sharing

SUSTAINABLE INVESTMENT SOLUTIONS

Investing in the energy transition and decarbonisation of the world's economy

Aquila Capital Investmentgesellschaft mbH (Aquila Capital) is our investment management company for clients wishing to invest in essential assets including clean energy, sustainable infrastructure, and specialty decarbonisation strategies. It is where we bring the expertise of Aquila Group together through diversified investment products managed for the long term.



Aquila Capital aims to become one of Europe's leading asset managers for sustainable investment strategies by 2030. To achieve this we identify scalable technologies, launch new products, and enter new markets to enable our clients to invest across all stages of the development cycle and into multiple types of decarbonisation strategies.

Our recently announced strategic partnership with Commerzbank is aimed at accelerating our growth while sustaining our independence, leveraging Commerzbank's strong brand and its broad distribution network of close to 11 million private and corporate clients.¹

With this partnership we build on our 15+ year track record in creating bespoke investment solutions for climate change mitigation and strength of being able to operate along the entire value chain of essential asset management from development and construction to operations and decommissioning.

And we share our unique asset sourcing approach which combines in-house project development and external project sourcing with on-site expert teams who can de-risk projects and optimise returns across a variety of risk-return profiles. With this powerful combination we aim to mobilise significantly more capital for the path to Net Zero.

Sustainable disclosure regulation continues to shape the asset management industry. At Aquila Capital we created an implementation framework that applies to our asset class and business model, our ESG management approach and our date governance and infrastructure frameworks. This foundational work facilitates an operational readiness for the Sustainable Financial Disclosure Regulation (SFDR along with Article 8 and 9 disclosure), EU Taxonomy alignment, Green Asset Ratio, there requirements and upcoming regulations.

¹ The partnership is still subject to official authorisations and is expected to be closed in Q2 2024. More information can be found in the [press release](#).



2023 IN REVIEW

Despite the challenging macro-economic backdrop, Aquila Group managed to grow assets under management by 2%, reaching 15.0 bn euros, up from 14.7 bn euros in 2022. We expanded our client base thanks to our strong presence in the DACH region (Germany, Austria, and Switzerland) and our diverse geographic footprint. And our infrastructure investments demonstrated resilience, delivering value amidst inflation and economic fluctuations. For example, the Aquila Capital Infrastructure Fund (ACIF), launched in 2017, delivered consistent positive performance each year since its launch and increased distributions to investors for the sixth time, with the fund attracting more than 500 m euros in capital commitments. ACIF provides a high degree of diversification with over 400 invested assets and contractually agreed inflation protection based on consumer prices indices for many of those assets.

In 2023, we introduced two new products, the Aquila Capital One Planet ELTIF and the Renewable Energy Debt (RED) Fund, to broaden our product suite. Aquila Capital One Planet ELTIF marks our first venture into European Long-Term Investment Funds (ELTIFs), an innovative investment vehicle created by the European Union to foster long-term investments in the real economy, particularly in infrastructure. This fund opens previously exclusive infrastructure investment opportunities to private and retail clients, aligning with the European Green Deal's objective to become the first climate-neutral continent by 2050. Through this fund, private clients can now invest in the expansion of Europe's energy infrastructure, including wind, solar PV, hydropower, energy efficiency and battery storage projects – a significant innovation providing a wider group of investors with flexible options to support the energy transition. The RED Fund is based on a diversified portfolio of short- and medium-term financing for construction and operational-stage clean energy projects across Europe and APAC and provides investors with the opportunity to capture high single-digit internal rates of return (IRR) by entering projects between construction and operational stages.

In our continuously changing regulatory environment, we further enhanced our sustainability disclosures for funds regulated under the SFDR increasing the proportion of Article 8 and 9 funds to 88%, up from 73% at the end of 2022.² (Please see the infographic on [page 21](#) for more information on the product categories according to SFDR). This is especially relevant given the conservative approach we took initially while classifying our products under distribution and the level of caution we continue to apply as this regulation unfolds throughout 2024. Our robust process for ESG management, coupled with the underlying focus of our assets on clean energy, sustainable infrastructure, and specialty decarbonisation solutions – puts us in a good position to fulfil the obligations of this regulation as well as to meet the increasing demand from our clients for sustainable investment solutions.

² A more detailed explanation on SFDR can be found in our previous [2022 Sustainability Report](#).

To better understand our performance and enhance how we manage our assets for sustainability we started to submit a subset of our funds to the Global Real Estate Sustainability Benchmark (GRESB) in 2016. Every year we increased our coverage, including this year when we assessed 20 assets across seven funds up from 15 assets and six funds from the year before. GRESB uses a benchmark methodology that rates funds and assets in absolute terms in the form of points (0-100) and relative terms against peers in the form of stars ranging from 1-5 depending on the resulting quintile of performance in the peer group. This year's assessment resulted in four out of seven of our funds achieving a five-star rating (up from three out of six in 2022). In addition, these funds and mandates were categorised as 'GRESB Sector Leaders'. This means they are not only located in the top quintile but also are the best performers in their peer group.³ The three other funds were in the second-best quintile, receiving a four-star rating. Our aim is to continuously improve the ESG performance of our funds and assets within the GRESB standard and to work towards maintaining our status as sector leaders within a universe of steadily improving peers.

We have been a signatory of the Principles of Responsible Investment (PRI) since 2018 and are committed to continuously improving our transparency and investment processes accordingly. This year, our ratings in various categories reflect our ongoing work effort to properly integrate ESG factors into our investment strategies. In our 2023 PRI assessment, we received a 3/5-star rating in "confidence building measures" a new module which was introduced to capture verification processes and 5/5 stars in the module "Policy governance and strategy" (formerly known as "Investment and stewardship policy") reflecting our overall strategy and approach towards responsible investment and 5/5 stars within the modules, "Direct Infrastructure" and "Direct Real Estate". We believe external assessments such as GRESB and PRI are useful feedback to our ESG practices highlighting our achievements and opportunities with respect to the implementation of our sustainability commitment.

LOOKING AHEAD

We are committed to advancing and innovating our product offering to allow our clients to invest across all stages of the development cycle and into all types of decarbonisation strategies while adapting to the fast-changing regulatory environment.

We anticipate the continuation of increased sustainability related regulation. This includes updates to SFDR through the introduction of new standards which are expected to take effect in 2025 and aim to clarify and enhance technical details around Principle Adverse Impacts, product disclosures and CO₂e reduction goals.⁴

It also includes regulation focused on the marketing activities related to sustainable products and sustainability claims to minimise greenwashing across the industry. For this the European Securities and Markets Authority (ESMA) has issued an interim report on the guidelines for fund names using ESG and sustainability-related terms, including specific minimum requirements for relevant funds, with a final report expected in May 2024.⁵ Lastly the Corporate Sustainability Reporting Directive (CSRD) is a new directive defining the sustainability reporting obligations for organisations such as Aquila Group. The directive replaces the Non-Financial Reporting Directive (NFRD) from 2024 onwards.

Managing these increasing regulatory requirements requires a strategy focused on clear governance structures and well-defined processes, as well as a scalable and adaptable infrastructure for ESG data collection for reporting purposes.

ABOUT THE SFDR

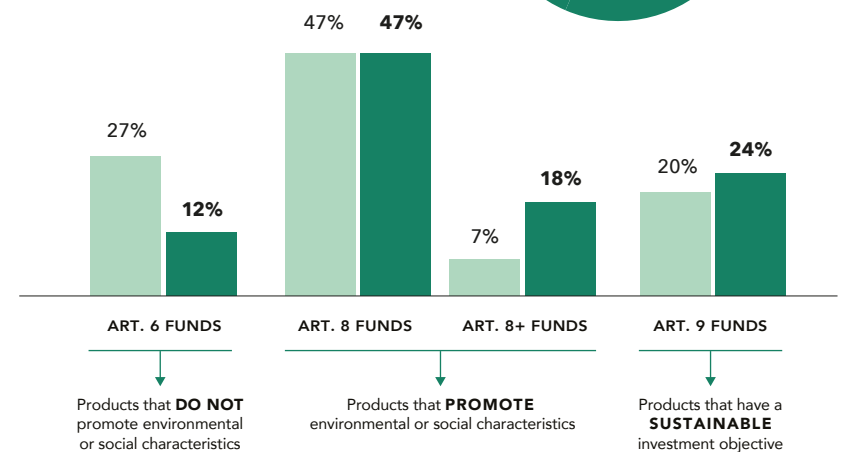
The SFDR classifies financial products into three categories based on their sustainability characteristics and as defined in the respective articles within the regulation:

- **Article 6**
Products that do not promote environmental or social characteristics
- **Article 8**
Products that promote environmental or social characteristics
- **Article 9**
Products that have a sustainable investment objective

Financial market participants offering products falling under Article 8 or Article 9 are required to disclose additional information in their pre-contractual documentation and periodic reports, such as how the products integrate sustainability factors into their investment decisions, what the sustainability objectives are, and which methodologies will be used to assess and measure their sustainability characteristics and/or impacts.

SFDR FIGURES

■ 2023
■ 2022



³ A definition of GRESB Sector Leaders can be found in the glossary. For more information, please refer to the [official communication](#).

⁴ A definition of principle adverse impact indicators can be found in the glossary.

⁵ For more information, please refer to the [public statement](#).

SPOTLIGHT

Hydropower

In Europe, hydropower leads in clean energy production and is recognised as a mature technology. It has offered reliable electricity generation for decades with minimal operational costs. Notably, run of river hydropower plants, which are our main focus, have the lowest carbon footprint compared to other clean energy sources, thanks to their long-expected lifespans and efficiency.

Since we started dedicating resources to hydropower in 2011, it has been a vital component of our renewable asset portfolio home to Aquila Capital, our hydropower team combines the expertise of portfolio management and investment management professionals working closely together, focusing on market transactions backed by a strong network of international investors.

The ESG performance of four of our hydropower investment vehicles has been repeatedly acknowledged by GRESB, which rated these funds and mandates as sector leaders and mandates as sector leaders being the best performing funds within the renewable power sector.¹

A standout investment in our portfolio is Småkraft, which boasts an extensive collection of small-scale hydropower facilities. In essence, Småkraft's business model is to leverage its centralised platform to efficiently develop and operate its fleet, using local landowners, construction and maintenance companies. Småkraft assets have been part of the portfolio of Aquila Capital long-term investment funds and mandates since 2015. It has been a reliable energy provider for over 20 years, contributing to the energy transition and having a positive impact on local communities and stakeholders.

Together with our clients, we keep facilitating investment into Småkraft to grow its fleet. With 14 additional facilities adding 100 GWh annual production capacity in 2023, and our pipeline of another 16 signed projects with an additional 220 GWh annual production capacity, plus additional capital commitments of 300 m euros, we believe we will be able to contribute to a targeted production capacity of 3 TWh per year over the coming years. With over 200 power plants, Småkraft has grown to become Europe's largest privately owned company in this sector already today.



THE PROJECT

16
Signed projects in the pipeline with an additional 220 GWh annual production capacity.

100 GWh
Annual production capacity added in 2023.

300 m euros
Additional capital commitments.

¹ The specific funds were: Aquila Capital European Hydropower Fund S.A., SICAV-SIF, Aquila Capital European Hydro C.V., Aquila Capital European Hydro – Småkraft Growth C.V and Aquila GAM Fund GmbH & Co. geschl. InvestmentKG.



SPECIALITY INVESTMENT STRATEGIES

Seizing diverse opportunities for Net Zero

It is important for us to stay abreast of the latest developments in climate change mitigation. In this vein we have created speciality investment strategies – energy efficiency, carbon forestry and growth private equity – to complement our work for the energy transition.



Energy
efficiency



Carbon
forestry



Growth
private equity

Energy efficiency focuses on avoiding emissions, carbon forestry seeks the economic benefits of ecological stewardship, and growth private equity nurtures innovative companies at the forefront of decarbonisation technologies.

Across all these investment strategies, we experienced challenges in fundraising throughout the year. The combination of rising interest rates, a sluggish economy and geopolitical uncertainties dampened market enthusiasm. Investors worldwide were understandably reassessing their portfolios, and many remained cautious in making new commitments. Despite these challenges, each strategy experienced positive developments.

ENERGY EFFICIENCY

Challenges in fundraising due to geopolitical uncertainties and higher interest rates were the biggest setbacks in 2023. Regardless of these headwinds, we saw increased demand for energy efficiency solutions due to increased energy costs, leading to successful project execution across various countries and sectors.

As an important pillar for Net Zero, energy efficiency cuts primary energy consumption and thereby avoids CO₂e emissions before they even occur. The investment yield from energy efficiency projects stems from the associated cost savings after implementation.

Since 2020, we've invested in a variety of projects across Europe to enhance energy efficiency, including LED lighting upgrades, solar PV systems for self-use, building retrofits, and digital enhancements to operations. These initiatives leverage advanced technologies, such as metering devices and algorithms, to reduce energy use and cost for customers.



KEY MILESTONES

8

New projects added to our portfolio.

50

Projects in total invested in.

In 2023, high energy costs significantly increased the demand for energy efficiency financing solutions. This trend allowed us to fully allocate capital in our two funds and invest in eight additional projects, equalling a total of 50 projects marking a successful year for project origination and execution. Notably, we closed a few building retrofit projects in Spain, crucial to ensure long term energy efficiency and are now overseeing fifty projects mainly in Italy, Spain, Germany, and the United Kingdom.

CARBON FORESTRY

Low timber prices, high diesel costs and a slower period for the construction industry were all sector-specific challenges that impacted 2023 fundraising efforts. Nevertheless, we reached several milestones in terms of sustainable forestry management and by kicking off the introduction of a new fund.

In the past, timber emerged as a key asset class for institutional investors, recognised for its return stability and potential to meet rising global demand with minimal volatility. More than just a financial asset, timber has also become important for carbon sequestration, aligning to the increasing demand for reliable emissions offsets and opening new revenue opportunities.

Our team comprised of forestry experts with deep sector knowledge works closely with top timber managers. Since entering this market in 2007, our direct forest holdings are approximately 13,500 ha and we have an indirect stake in more than 8,500 ha through a fund of funds portfolio.

This year, we achieved a few milestones in our carbon forestry endeavours. Our largest property in New Zealand, part of the Aquila Capital Timber Investment Fund (ACTIF) and managed directly by our team, earned certification from the Forest Stewardship Council (FSC), a global authority in sustainable forest management. We have also kicked off the marketing efforts for a new fund dedicated to timber investments and designed to support decarbonisation through Natural Climate Solution projects. This fund is set to be classified as an Article 9 under SFDR, with an investment focus on Europe, North America, and Oceania.



KEY MILESTONES

13,500 ha

Total approximate area of direct forest holdings.



New Zealand property part of the ACTIF earned FSC certification.

KEY MILESTONE

More than

140deals reviewed,
with five identified as
tangible investment
opportunities.**GROWTH PRIVATE EQUITY**

Our commitment to growth equity marks a crucial chapter in our journey, supporting innovative businesses. These investments provide vital support to companies dedicated to decarbonising the world's economy and expediting our path to Net Zero. With the launch of our growth private equity strategy, we are focused on scaling up European companies at the forefront of decarbonisation technologies and services.¹ Our strategy emphasises sectors like energy generation and management and mobility that are critical to GHG emission reductions. Respective opportunities range from digitalisation through process innovation, decentralised energy generation and storage, efficient resource use and enabling technologies. By focusing on the establishment of cooperation agreements with service providers to validate the alignment of investment companies to the EU Taxonomy, it is planned that our growth private equity strategy will report according to SFDR Article 9.

In 2023, our team established a robust operational framework and built active sourcing channels throughout Europe, reviewing more than 140 deals and identifying five that are currently assessed as tangible investment opportunities. Collaborating closely with specialised departments within Aquila Group enhanced our deal sourcing and review processes. We also conducted in-depth analysis of sectors such as transport electrification, decentralised energy systems, and renewable asset market access.

Additionally, we initiated pre-marketing for our inaugural growth private equity strategy, targeting private and public institutional investors, as well as specialised family offices. The official launch is set for 2024. Our efforts to align potential investors for the first close next year have been supported by collaborative transactions with co-investors.

¹ Please refer to the glossary for a definition of our growth private equity strategy.

KNOWLEDGE SHARING

Driving climate change mitigation using sustainability insights

We are committed to sharing insights on market developments and investment topics for the energy transition and global decarbonisation. To do this, we foster research, such as a comprehensive [study on power sovereignty in Europe](#) and regularly publish white papers that offer new knowledge and encourage thoughtful discussions amongst peers acknowledging the need for a collective effort for a more sustainable future.



EUROPEAN POWER SOVEREIGNTY THROUGH RENEWABLES BY 2030

We all understand that clean energy is key to reducing greenhouse gas (GHG) emissions and tackling climate change – but we often overlook how it supports countries to have more control over their own energy supply and manage their dependence on imports. The importance of power sovereignty was demonstrated as energy prices in Germany and other Western countries soared in 2022 after Russia’s attack on Ukraine.

With these realities in mind, we commissioned a comprehensive climate study and published its results in October 2023. The study was coordinated by the Potsdam Institute for Climate Impact Research (PIK) and carried out together with academics from six other reputable institutes: Bauhaus Earth (BE), Fraunhofer Institute for Solar Energy Systems (FhG-ISE), German Institute for Economic Research (DIW), International Institute for Applied Systems Analysis (IIASA), Research Centre for Atmospheric Physics and Climatology (Academy of Athens) and Technical University of Berlin (TUB). [Read the executive summary of the study.](#)

The main conclusion of the research was that Europe could achieve power sovereignty and electricity generation free of fossil fuels by 2030 with current clean energy technology across the continent. Meanwhile the entire energy system, including what is required for heat production, could be fossil fuel free by 2040.

ADDITIONAL FINDINGS INCLUDE

- An energy system based 100% on renewable energies would lead to some of the cheapest energy prices in the world for consumers, strengthen Europe’s competitiveness, reduce vulnerability in times of geopolitical tensions and help deliver climate change targets such as Net Zero. Europe could become the first climate-neutral continent.
- By harnessing the complementary energy resources using a consolidated electricity grid, the energy system could free itself from gas and oil imports and dependence on volatile nations.
- To achieve this goal, clean energy investments of 140 bn euros per year by 2030 and 100 bn euros per year by 2040 are needed. For context – Europe has spent 792 bn euros to protect consumers from the energy price related effects of Russia’s invasion of Ukraine in 2022.
- Clean energy growth until today is far too low to achieve energy sovereignty or Net Zero in the next decade. Major barriers include insufficient energy storage rates, lack of necessary network infrastructure and insufficient use of renewable energy sources.
- Europe’s various regions can offer diverse resources of renewable energy, but these must be adequately interconnected. Heat demand also needs to be considered for an effective energy turnaround.

In our commitment to knowledge-sharing, we provide in-depth analysis to foster discussions and promote a collective effort toward a more climate-focused and sustainable future through our publications. In 2023, we published four white papers and one opinion article, aimed at sharing insights and sparking meaningful conversations.

WHITE PAPER

Agrivoltaics: The Future of Agriculture?



Agrivoltaic (APV) systems are a possible solution for the mutually beneficial use of land for agricultural purposes and photovoltaic power generation in Europe, by combining crop production and solar PV power generation. Hence, they are also part of the ACE EMEA development portfolio. Details of a recent APV project are available on [page 32](#).

Renewable Energy Debt



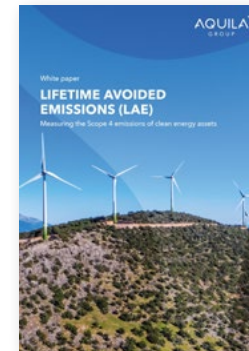
Renewable energy construction debt combines financial opportunities with the chance to play a vital role in the transition to a low-carbon world by financing renewable energy infrastructure. It offers investors attractive yields, reduced credit risk and stability whilst aiding global decarbonisation. By incorporating renewable energy debt into their portfolios, investors can contribute to a cleaner and greener economy while diversifying and de-risking their credit portfolios.

Private Growth Equity for Climate Protection



There are abundant untapped investment opportunities within climate-related growth equity companies, fostered by structural demand from the global drive towards achieving net-zero emissions. These companies operate in growing markets and offer investment opportunities supported by proven business models. In 2023, we enhanced our previously launched growth private equity strategy by developing an efficient operational set-up, with active sourcing channels across Europe. Further details on our growth private equity strategy on [page 25](#).

Lifetime Avoided Emissions (LAE)



While many companies are occupied with their Scope 1, 2, and particularly Scope 3 emissions, we expect that corporate and financial market participants will increasingly adopt Scope 4 measurement and reporting. Scope 4 emissions close an important information gap, measuring the emissions avoidance potential of climate solutions as opposed to tracking emissions that were already released into the atmosphere. Leveraging this concept, Lifetime Avoided Emissions (LAE) measures the expected climate impact of clean energy assets over their lifetime. To further advance this work amongst the industry we published our methodology for the LAE measurement of clean energy.

OPINION PAPER

Evergreen funds: A new paradigm for investment in private markets



This opinion piece explores how evergreen funds are gaining traction among limited partners (LPs), as these vehicles provide a higher degree of flexibility compared to closed-ended structures.

DEVELOPING, CONSTRUCTING & MANAGING ESSENTIAL ASSETS

- Aquila Clean Energy EMEA
- Aquila Clean Energy APAC
- Aquila Sustainable Infrastructure
- Our ESG management framework
- Our supply chain



AQUILA CLEAN ENERGY EMEA

Accelerating Europe's energy transition

Aquila Clean Energy EMEA is our integrated clean energy business that is focused on advancing the energy transition across Europe. Our current portfolio spans across 12 countries and includes:



Solar (PV)



Wind energy



Battery energy storage solutions (BESS)

Despite many hurdles, we are confident in our core markets' ability to drive net-zero emissions, and our achievements show that we are delivering on our ambition to advance the energy transition in Europe.

Our approach to renewable energy asset development and delivery is based on our strategic rationale. This includes harnessing technology that aligns with regional resources, diversifying geographically, implementing innovative storage solutions, and adopting sophisticated off-taking strategies. These elements together enhance our portfolio's stability, growth, and profitability, while directly supporting our sustainability commitments.

OUR STRATEGIC RATIONALE

1

TECHNOLOGY AND REGIONAL RESOURCES

We match our technology with the unique natural resources of each country and local area, taking advantage of diverse weather and electricity markets to optimise our energy production.

2

GEOGRAPHICAL DIVERSIFICATION

Our strategy includes diversifying across multiple countries, which not only stabilises and grows our portfolio, but also smooths revenue through strategic hybridisation, such as integrating solar PV with existing wind projects.

3

BATTERY STORAGE

A comprehensive strategy for stand-alone and co-located battery storage maximises our profitability by leveraging the intermittent nature of renewable energy and market price variations.

4

SOPHISTICATED OFF-TAKING

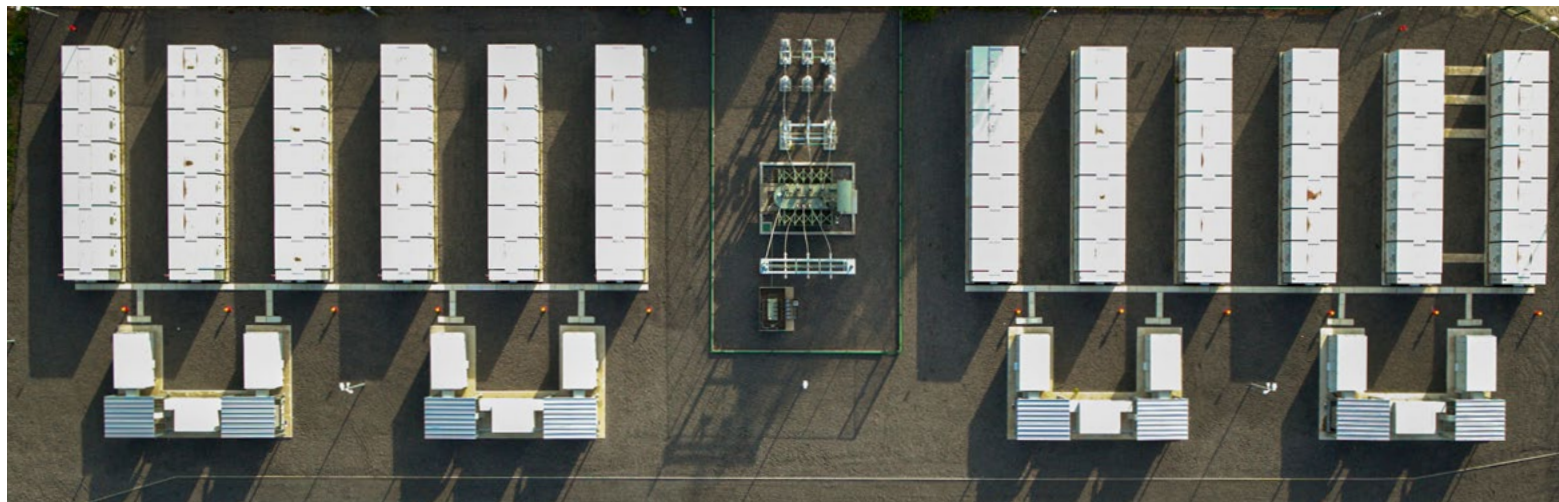
We aim to meet the decarbonisation goals of companies and communities with multi-product, multi-region renewable solutions, enhanced with advanced storage technologies.

As part of this direction, we are striving for high standards in product quality and delivery. Embedded throughout our internal processes while developing, constructing, and operating essential assets, Aquila Clean Energy EMEA systematically manages ESG impacts and aims to improve supply chain transparency, as outlined on [page 48](#) when procuring services from external vendors and/or sourcing components. This is done in combination with a focused and localised approach to stakeholder management and community value creation.

We work with other counterparties to manage ESG elements throughout our value chain, partnering with contractors and suppliers in the generation of clean energy assets. Ensuring that their services are in line with our approach, we set clear standards and requirements focused on the avoidance, reduction and, if needed, restoration of any negative impacts on the environment and/or community. We use our Code of Conduct for Business partners to bind our counterparties to our standards and we embed these standards in our contracts. (For more information about our work to minimise the negative impacts of our actions, please refer to our ESG management framework, starting on [page 43](#).)

Our local teams work closely with relevant stakeholders on the ground to address the local communities' inputs and ensure the completion of the projects. Our award-winning EcoSolar approach, which was introduced in our [2022 Sustainability Report](#), is a best practice example of how we aim to do this properly. (For more input on the set-up, the approach and our community engagement in general, please refer to [page 52](#).)





2023 IN REVIEW

As in the previous years, we stayed true to our strategy and made significant progress. We completed 11 transactions and added over 2.5 GW to our portfolio. Many acquisitions were made with organisations we've worked with before, indicating the strength of our partnerships.

Our focus on greenfield development paid off, as we introduced early-stage projects that expanded our total portfolio for the year by 1 GW to reach approximately 3.5 GW. Building on this outcome and recognising the greater potential to minimise ESG risks during the development stage, our teams continue to actively pursue additional greenfield opportunities. During the year, nine of our development projects started construction and we were able to sign two new Power Purchase Agreements (PPAs) for our construction/operational portfolio.¹

A key factor to this year's growth was battery storage, where we initiated development on stand-alone BESS and began to use our existing connections to the power grid more effectively by combining different types of technology through hybridisation. This approach made battery storage the fastest growing technology in our portfolio, with 2 GW out of the 3.5 GW growth coming from BESS.

Further, our most valuable asset, our team, expanded to over 270 employees to support our ambitious development pipeline.

Other milestones for the year included successfully diversifying our global presence by venturing into the Bulgarian and Romanian solar PV markets for the first time, expanding our Eastern European footprint. On top of that we expanded our operations in Poland and Lithuania through solar PV and BESS projects.

We further progressed our solar PV presence with three new agrivoltaic projects in Puglia, Italy, receiving the green light from the Ministry of Environment, after receiving positive Environmental Impact Assessments. These projects, which mix agricultural crops with solar panels, have an installed capacity of around 137 MWp and when fully operational will produce approximately 263 GWh of clean energy each year, powering about 97,000 households. (More information on our agrivoltaic approach is highlighted on the next page).

LOOKING AHEAD

Our goal is to contribute meaningfully to the energy transition as a developer and Independent Power Producer (IPP) in the European market.

While we have made significant strides, we recognise the journey ahead is filled with both challenges and opportunities.

In 2024 we are focusing on our development pipeline, aiming to bring over 12 GW of solar PV, wind, and battery storage projects from initial planning to ready-to-build status, and then through construction to operation. To recognise the importance of local expertise, we are committed to strengthening our development and construction teams across Europe. Their expertise and dedication are vital as we navigate the complexities of project development.

Our local teams will continue to explore greenfield opportunities and consider innovative approaches, such as hybridising wind and solar PV assets with BESS.

¹ A definition of Power Purchase Agreements can be found in the glossary.

SPOTLIGHT

Our agrivoltaic approach in Italy

Agrivoltaic systems (APV) are an emerging renewable energy solution that simultaneously addresses societies' need for food and energy by combining land for agriculture with solar PV power generation. This dual use approach is an important enabler of climate change mitigation.



The International Energy Agency's (IEA) World Energy Outlook 2022 calls for a near quadrupling of investment in clean energy this decade to stay on a pathway to net-zero carbon emissions by 2050.¹ However, a constraint to achieving these targets is the extensive space requirements of solar parks, coupled by global food demands that are expected to increase by 50% by 2050, and an increased competition for land space as a result of population growth, predicted reach nearly 10 bn people, by 2050.²

APV addresses the conflict between land for solar parks and agriculture, offering a solution to preserve arable land, while enabling renewable energy generation. Additionally, the financial upside of the energy generation of an APV system could incentivise farmers to target marginal agricultural lands that are not currently being farmed due to low productivity.

In Italy, the potential for APV systems is significant, given the country's high solar irradiation levels and substantial agricultural sector. The government has devoted 1.1 bn euros to establishing 2 GW of new agrivoltaic generation

capacity this decade as part of its EU-funded post-Covid National Recovery and Resilience Plan. Additionally, the 'National Agency for New Technologies, Energy and Sustainable Economic Development' (ENEA) has launched a national network for sustainable APV systems, with the objective of increasing installed solar power by 30 GW.

We currently have more than 70 solar projects under development in Italy, most of them APV, with a total cumulative capacity of more than 2GW. On top of that, three of our new agrivoltaic PV projects in Puglia received the green light from

the Ministry of Environment, having received positive Environmental Impact Assessments. Each project offers a mutually beneficial partnership between Aquila Clean Energy EMEA and local farmers, promoting energy self-sufficiency and leveraging land for productive use. The cultivation specifics are being evaluated with the help of agronomists and are mostly fodder and olive trees, depending on the specific site. To further enhance biodiversity, we have integrated additional cultivations, such as lavender and clover at some project sites.

In line with the European Green Deal and Next Generation EU initiatives, we recognise that urban and industrial areas alone cannot fulfil renewable development targets. Integrating solar PV into agricultural areas is a strategic compromise to accelerate the energy transition. (For more information on our work with agriculture, please refer to our [white paper](#) which we published in 2023).

¹ IEA, World Energy Outlook: executive summary (October, 2022).

² World Resources Institute, World Resources Report: Creating a Sustainable Food Future (July, 2019).

AQUILA CLEAN ENERGY APAC

Advancing our clean energy portfolio across Asia Pacific

Launched in 2020, Aquila Clean Energy Asia Pacific is our business focused on producing clean energy in the region. We integrate the latest technology in solar PV, onshore wind energy, and battery energy storage solutions (BESS), from funding and development, through to building and operating assets in our target markets across Australia, New Zealand, Taiwan, Japan, and South Korea.

Despite the already mentioned headwinds, that we also experienced in the Asian regions, our projects reached various milestones in 2023, regarding project development, construction, and operation.

OUR SET-UP

In ACE APAC our fast-growing team of over 80 experts across Singapore, Taiwan, Japan, Korea, Australia, and New Zealand work collaboratively with our partners to reach our mutual goal of supporting the energy transition.

We are committed to creating a positive and long-term impact wherever we develop, construct, and operate our clean energy projects and use a comprehensive Environmental, Social and Governance (ESG) framework to guide us. We engage with local stakeholders to ensure that our work results in clean energy production, as well as lasting and meaningful benefits for our communities.



Tokyo

Kimitsu Solar
PV plant Chiba
prefecture, Japan

MAJOR ACHIEVEMENTS FOR 2023

1

COMMERCIAL OPERATIONS AT KIMITSU SOLAR PV PLANT

Our Kimitsu (ca. 8 MWp) solar PV plant reached commercial operations, generating enough clean energy annually to power 3,200 homes in Chiba Prefecture, Japan. As our first operational power plant, this marks a significant milestone for us.

3

BATTERY ENERGY STORAGE SYSTEMS (BESS) IN SOUTH AUSTRALIA

We secured multiple development permits for Battery Energy Storage Systems (BESS) projects in South Australia, equalling more than 340 MW.

2

SECURED SOLAR PV PROJECT IN SOUTH KOREA

By employing innovative deal structuring and fostering local partnerships, we successfully secured a 300 MW solar PV development project in South Korea.

4

SOLAR FISHERIES IN TAIWAN

We reached a significant milestone by getting environmental permits for two of our solar fishery projects in Taiwan.

2023 IN REVIEW

As a young business, established just three years ago, we are still in the process of establishing fundamental elements of our operations. Two core focuses for the year were adding more experts to our team and developing our processes to support our business operations and positive project outcomes now and in the future. Strengthening our executive bench, we appointed a new Head of Investment & Portfolio Management, a Head of Japan and a Head of Taiwan, a Senior Community Engagement Manager for Australia and New Zealand and a Health, Safety and Environment Director for the whole APAC region. Hence, we are pleased to have increased our wider team from 56 to 85 colleagues. Each new member brings a diverse set of skills spanning engineering, design, development, to community and health & safety management. Beyond being experts in their fields, they also have strong local knowledge, insights and networks, which will further benefit the communities where we operate and our project outcomes.

To support our growing operations, we opened new offices in Sydney and Melbourne, alongside the development of existing offices in Singapore and South Korea.

One of our key focus areas continues to be ensuring that there is consistency across our business processes. To support us in creating a solid foundation for our Environmental and Social Management System (ESMS) in the Asia Pacific region, we formally documented 13 core processes within our value chain, which we further bolstered by documenting approximately 30 corporate processes, with an emphasis on ESG considerations.

LOOKING AHEAD

In 2024 and beyond, our primary focus is to expand and realise our current portfolio as we aim to be one of the leading clean energy platforms in the region.

We're focusing on developing our three main technologies: solar PV, wind energy, and BESS and are especially interested in hybrid models like solar-BESS and wind-BESS, which are key for providing reliable power and helping modernise electrical grids.

We will keep improving our processes and strengthen our collaboration across our organisation to integrate health & safety into our project development. This approach ensures that our projects are commercially successful and maximise positive impacts, while minimising the negative ones on local communities and the environment.



SPOTLIGHT

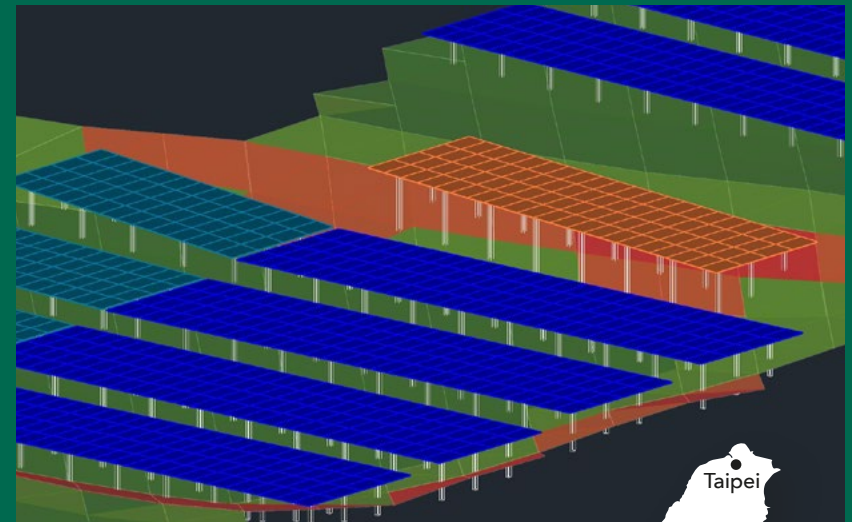
Solar fisheries in Taiwan

The West Coast of Taiwan is an ideal location – with a good connection to the grid and high irradiation levels – for agricultural activity and solar park installation.

Here local governments are actively supporting emission reduction efforts and increased renewable energy production. However, as outlined in the Agrivoltaics in Italy (Aquila Clean Energy EMEA section, [page 32](#)) solar parks take up considerable space and with continued need for viable farming space there is an increased competition for land.

To alleviate the land use pressures, we are developing dual land use solar PV projects that combine solar power with fish farming, with panels installed above the ponds where the fish are farmed. Panel installation can occur with minimal disruption to the running of fisheries and may offer benefits for farmers and fish, through enhanced breeding conditions.¹

Leveraging existing fish farm sites makes for a sustainable long-term arrangement, which is why we are pleased that we received environmental permits for our two solar fishery projects in 2023. In addition to providing clean energy through solar PV panels, this approach also provides benefits to fish farmers.



Tainan County

Taipei

BENEFITS TO FISH FARMERS



Boost incomes

Fish farmers can see an uptick in their income through charges for land leasing and the increase of resale value of their sites.



Upgrade facilities

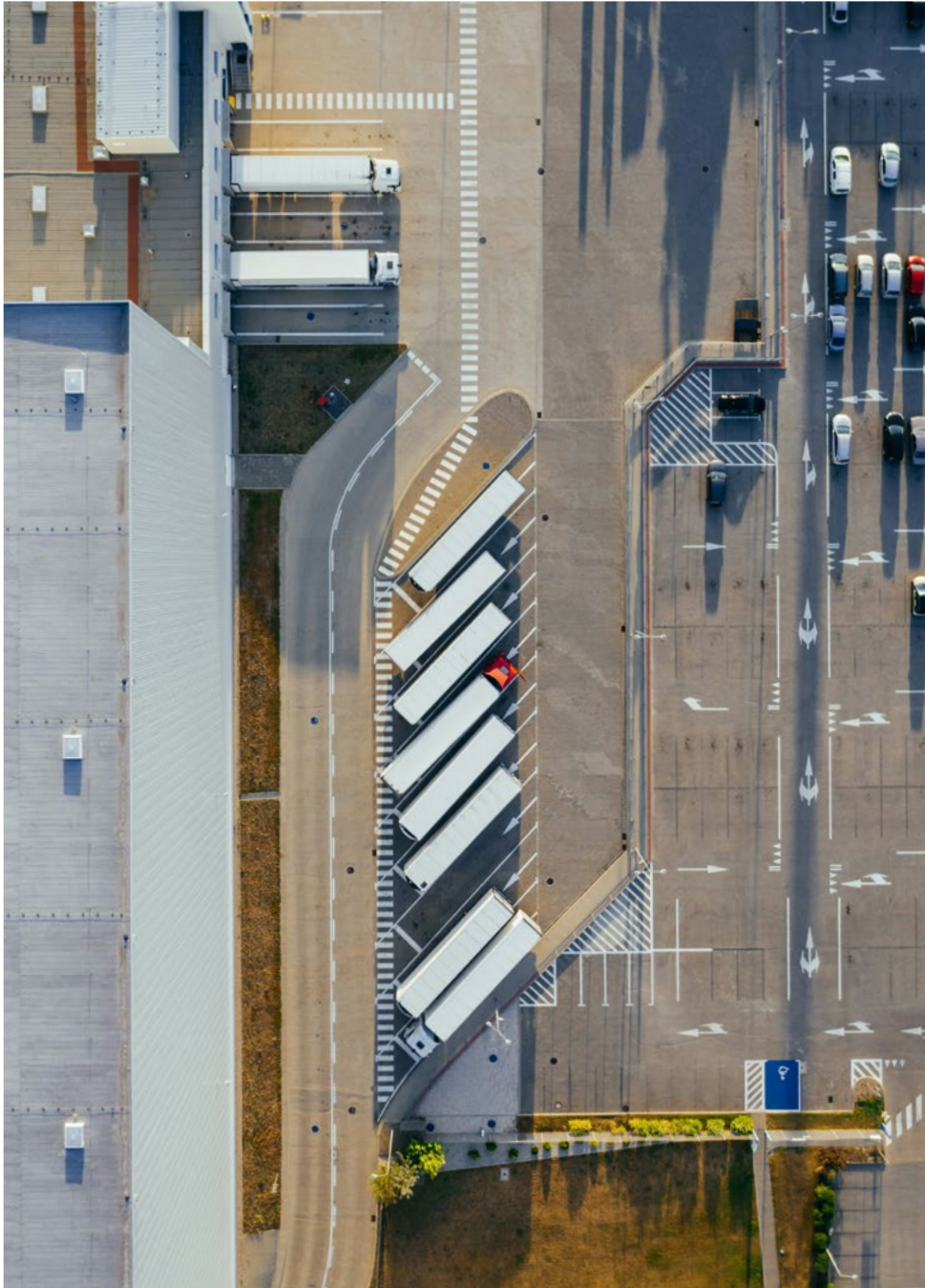
Opportunity for farmers to update and improve their set-up when the solar installation development takes place.



Optimise breeding conditions

Shade provided by the solar panels can stabilise the water temperature, which is better for the fish, increases farm productivity and makes it more eco-friendly.

¹ Breeding conditions can be optimised through the shade provided by the modules mounted on pillars covering the pond, which also reduce water evaporation and provide protection against predatory birds; On top of that, a 100 KW [project](#), run at research facility in Vietnam, by the Fraunhofer Institute for Solar Energy Systems ISE, found that the modules provided a stable and lower water temperature, which helped shrimp growth.



AQUILA SUSTAINABLE INFRASTRUCTURE

Investing in the needs of the future, today

Aquila Sustainable Infrastructure was launched in 2012 and has been investing in diversified infrastructure assets since 2013. Our journey began in Europe, with Western and Southern Europe as the main regions of focus.

Investments in infrastructure assets are appealing to clients as they offer attractive risk-adjusted returns due to their low correlation to traditional asset classes and a stable, consistent cash flow profile, while providing various opportunities for decarbonisation.

We are focused on two main areas: Logistics and Data Centres, each with unique capabilities combined under one unit.



Logistics



Data Centres

GREEN LOGISTICS

In 2023, Green Logistics also experienced the already mentioned headwinds such as rising input and financing costs. By deconstructing our strategy, we were able to revisit our key success factors and differentiators. This reassessment led to a concerted focus on existing projects and adjustment to capital structures to align with market forces.

Since launching our logistics operation in Germany in 2012 and making our first investment in 2013, we've acquired key institutional assets and, thanks to our experienced investment team, now have a track record of investing in Green Logistics assets of more than 1.3 m sqm of total rentable area. Our ambition is to reduce the environmental impact of these traditionally carbon-intensive assets, while providing attractive financial returns for our clients.

Our projects, primarily located in Western and Southern Europe, are all developed with a clear focus on sustainability and operational excellence. We recognise the environmental impact of infrastructure and are committed to minimising our carbon footprint. This commitment involves careful planning and the adoption of the latest technologies, materials, and practices. Working closely with project stakeholders, we strive for high sustainability standards, aiming for top Building Research Establishment Environmental Assessment Methodology (BREEAM) and Leadership in Energy and Environmental Design (LEED) certifications for all our projects.

Through regular workshops with construction sector counterparts on topics like building materials and energy efficiency, and consultations with tenants for optimal building specifications, we've cultivated our three pillar Green Logistics Concept.

OUR THREE PILLAR CONCEPT

1

EMISSION REDUCTION

Our primary aim is to cut greenhouse gas (GHG) emissions at every stage: from the construction and use of our buildings to their eventual decommissioning. We focus on reducing both the embodied footprint of building materials and transportation, and the operational footprint through energy efficiency and renewable energy use.

2

SUSTAINABILITY CERTIFICATIONS

We ensure all our Green Logistics assets achieve a 'Very Good' or 'Excellent' rating by BREEAM or equivalent international standards.

3

RENEWABLE ENERGY

Installing rooftop solar PV panels is key to reducing energy consumption and supporting our clients in creating lasting value. These panels not only help in cutting carbon emissions but also in lowering energy costs, making our logistics assets more sustainable and cost effective in the long run.



Together our work supports a variety of Sustainable Development Goals ("SDGs") such as:

- SDG 7: Affordable and clean energy
- SDG 9: Infrastructure and innovation
- SDG 11: Sustainable cities and communities, and
- SDG 13: Climate action

2023 IN REVIEW

Green Logistics remained committed to project development in 2023. We worked effectively to obtain necessary permits and licenses, allowing us to proceed with our projects.

One of our biggest achievements is our Azambuja-based Green Logistics complex that was completed in 2023. Due to various sustainability features like a water retention basin and rooftop solar panels, it earned the esteemed BREEAM Excellent certification, a testament to our commitment to environmental responsibility and innovation in Portugal's logistics sector. (Please refer to the following page for more details on this project.)

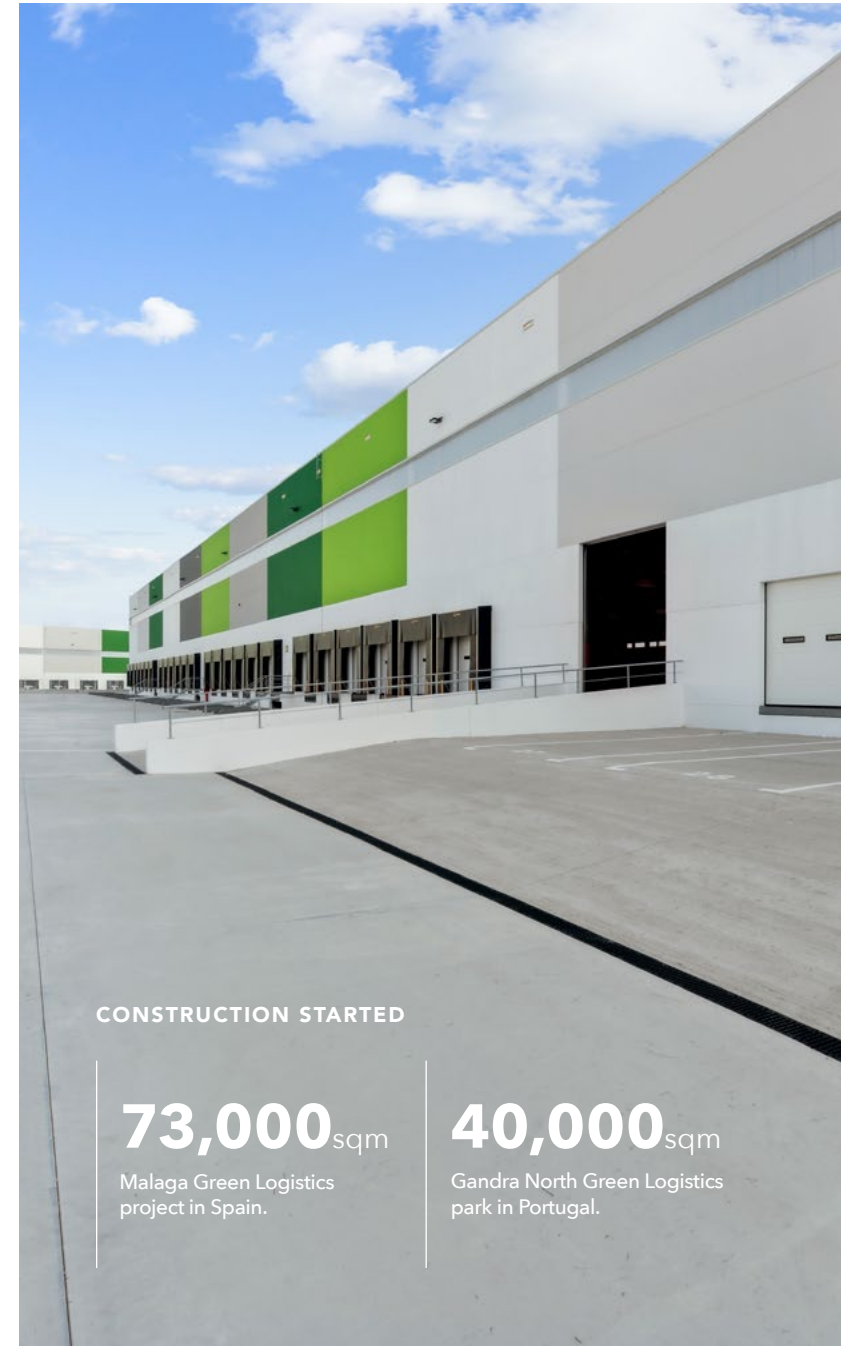
In terms of milestones during development, we started phase of construction at our Green Logistics park in Malaga in 2023, installing the first pillars after commencing the build in May. The project, spanning over 73,000 sqm with a development area of more than 42,000 sqm for logistics and cross-docking operations, is on track to achieve BREEAM 'Excellent' certification as well.

We are also pleased with our progress at the Gandra North Green Logistics park in Portugal, where the installation of the first pillars marks a major milestone, too. Like our site in Malaga, this project adheres to international standards of energy efficiency and sustainability and is on track to obtain the BREEAM very good certification. This future logistics complex, located in the district of Porto and spanning an area of 40,000 sqm, will include a 16,500 sqm warehouse and 575 sqm of office space and is already fully leased. Completion is anticipated in the first quarter of 2024.

LOOKING AHEAD

On the back of our expectations for interest rate stabilisation we have a more optimistic outlook for the logistics market for the years ahead. We are confident that our Green Logistics concept is the only way forward in this industry and plan to continue to identify and pursue unique opportunities to execute this strategy for our investors. In 2024 we aim to expand the current portfolio and are hence scoping opportunities for further growth in new countries across Europe.

Our goal is to create new benchmarks and to leverage technology to enhance our environmental and social footprint.



CONSTRUCTION STARTED

73,000 sqm

Malaga Green Logistics project in Spain.

40,000 sqm

Gandra North Green Logistics park in Portugal.

SPOTLIGHT

Rainha Green Logistics Park

In 2023 our logistics complex, located in Azambuja, Portugal, was officially delivered to its tenant. Located 40km north of Lisbon, in one of the country's logistics epicentres, Rainha Green Logistics Park was created with approximately 100 m euros of investment.

Classified as an area of public interest by the local municipality of Azambuja, the construction of the facility created more than 300 jobs for residents and now that the park is fully operational, it is expected that it will employ another 350 people providing substantial value to the local community.

Built to meet demanding efficiency and sustainability criteria, the project incorporates features like a water retention basin, which promotes the natural drainage of rainwater without need for public network connection, chargers for electric vehicles, a bicycle park and solar photovoltaic rooftop panels for self-consumption and energy independence.

With these features, amongst others, the park was awarded with the BREEAM Excellent certification – a worldwide gold standard for sustainability. It is the first logistics park in Portugal to receive this certification, due to its performance in energy efficiency, pollution mitigation and water consumption reduction.



Azambuja

Lisbon

THE PROJECT



Awarded the BREEAM Excellent certification.

112,000 sqm

Total area of this two-building logistic complex.

CO₂

Workflow optimisation to reduce carbon footprint.



AQ COMPUTE

AI-READY DATA CENTRES FOCUSED ON DECARBONISATION

Artificial Intelligence (AI) is revolutionising the IT sector, with applications in many areas and a corresponding need for massive computing power, often requiring high power densities. Established in 2022, AQ Compute is dedicated to developing AI ready data centres with an environmentally responsible footprint across Europe. This large market has already invested more than 50 bn euros in AI in 2023 alone. We expect this trend to continue in the coming years and aim to participate through our competitive AQ Compute product offering.

We build and invest in data centre assets and offer complex services to our clients, including some of the biggest cloud providers and most innovative global technology companies. Our dedicated Data Centre team includes professionals with significant experience in the industry.

AQ COMPUTE OFFERS THE FOLLOWING DATA CENTRE SOLUTIONS

1

CO-LOCATION SERVICES

An option to rent data centre capacity, including powered and refrigerated space and cooling infrastructure, with high 'uptime' capacity.¹

2

BUILT-TO-SUIT

The ability to customise spaces and buildings in a way that meets the individual needs and requirements of a client. Global technology companies typically require dedicated capabilities.

3

AI & HIGH PERFORMANCE COMPUTING (HPC)

A solution, tailored to the growing demands of AI operations, incorporating ultra-high density cooling technologies, reduced operational costs with very low water consumption for cooling.

4

ADDITIONAL SERVICES

Remote hands (technical support services to clients who are not physically on site) and connectivity services (such as special fibre connections within and outside of the data centre).

¹ Uptime is the amount of time that a data centre's IT infrastructure is operational and available to users.

2023 IN REVIEW

During the year, we analysed the current data centre market landscape, looking for the most relevant public and industry-based initiatives and standards for sustainability to create our industry leaders' benchmark. Using this approach, we defined our AQ Compute ESG strategy and set various goals along major ESG pillars. Our AQ Compute ESG strategy below provides further details.

This year we also entered the final stages of our inaugural data centre project in Oslo, Norway, which is projected to open in the first half of 2024. This facility hosts high density IT equipment and leverages efficient cooling methods to utilise natural air, eliminating the need for artificial cooling systems and has the potential to run completely on renewable energy.¹ We've also initiated the reuse of excess heat to support our own operations and are exploring opportunities to supply it to a nearby industrial facility and wood drying business. This exchange will take place in partnership with the local utility provider.

Building on our momentum, we've begun construction on another data centre in Barcelona, Spain. Like our first, this facility can be powered entirely by renewable energy, catering to the expansive computing requirements of hyperscalers – large enterprises and organisations reliant on substantial IT infrastructure.

As part of our goal to develop sustainable data centres across Europe and as another step towards a sustainable future, we recently became a member of the Climate Neutral Data Centre Pact committing to source 100% carbon free or renewable energy this decade for all our operations, enhance energy efficiency, and lower water usage in our data centres. This pact, endorsed by over 100 data centre operators and trade associations is a collective pledge for climate neutrality by 2030, aligning with the broader goals of the European Green Deal.

LOOKING AHEAD

The growth of AI and cloud computing is expected to increase significantly along with respective need for data processing capabilities. Our goal is to ensure that this growth is done in a sustainable way. We plan to use our ESG strategy to support our path to Net Zero and have set a broad number of ambitions for the next decade. At AQ Compute we aim to Net Zero latest by 2050. This means a progressive reduction of Scope 1 and 2 emissions to zero by 2050, with Scope 3 emissions being reduced at least 50% by 2050 based on 2022 industry leaders intensity-based benchmark and requires that we offset all remaining hard-to-abate emissions. We plan to collaborate with third parties such as utilities, to reutilise the excess heat from our data centres to avoid the release of emissions and consciously use our resources, including in how we design and operate our data centres, in an efficient way.²

Our approach to Net Zero is based on the following three aspects:

- 1 RENEWABLE ENERGY SUPPLY**
prioritising electricity from renewable sources, managed by Aquila Clean Energy wherever feasible.

- 2 SUSTAINABLE DESIGN AND CONSTRUCTION**
adhering to respected sustainability building standards.

- 3 EFFICIENT OPERATIONS**
incorporating energy-efficient technologies and harnessing data centre waste heat recovery.



Supplier collaboration is another key component of our ESG strategy. For this we aim to obtain Environmental Product Declarations (EPDs) from 50% of our sub-contractors by 2030, marking the first step in our path to Net Zero by providing us with data that allows us to accurately assess the carbon footprint of our construction materials and operations – to set a baseline for our carbon emission reduction pathway.

Another tailwind for the reduction of emissions is the EU Code of Conduct for Data Centre Energy Efficiency which we plan to join to continue our commitment to best practices for data centre energy management. This initiative was set up in response to the escalating energy consumption in data centres and to counter the consequential environmental, economic, and energy supply impact this poses.

In the coming years we aim to build more than 10 data centres around Europe, using our comprehensive ESG strategy. Currently we have a pipeline in five new countries that we are exploring for exclusivity and it's our goal to link the development of our new projects with the sponsorship of social and environmental local activities.

For example, for our assets in Norway and Spain we are exploring partnerships with local utilities and councils, to show our commitment to the communities and natural environments in which we operate.

¹ This means AQ Compute has evaluated viable renewable energy contracts for all data centre locations – for which off-taking agreements are dependent on client needs.

² Internal research at AQ Compute, 2023: The 2022 industry leaders benchmark refers to an analysis, of public disclosures of Digital Realty and Equinix, whereas the intensity refers to the CO₂e emissions in relation to the installed power.

SPOTLIGHT

AQ Compute ESG strategy

To build our ESG strategy we undertook a comprehensive analysis within the data centre market and evaluated key publicly available industry initiatives, standards, and benchmarks from sector leaders. From this analysis, we crafted our strategy for environmental and social performance and set targets to the end of this decade, organised around five main pillars:

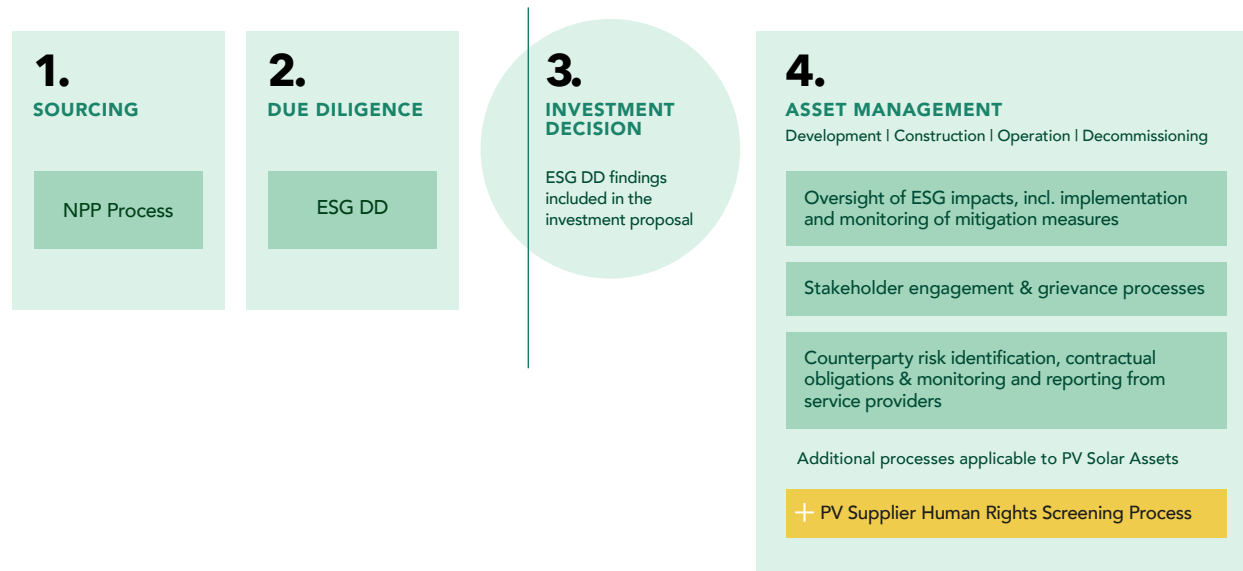
1	2	3	4	5
CLEAN ENERGY	LOW CARBON FOOTPRINT DESIGN & OPERATION	CIRCULAR VALUE CHAIN	SOCIAL & ENVIRONMENTAL CARE	TRANSPARENCY AND LEADERSHIP
Our strategy emphasises renewable energy use for our data centres, focusing on the procurement of green electricity, promoting on-site energy use, and supporting the grid by leveraging excess heat and on-site generation to bring down energy requirements. This pillar aims to integrate sustainable energy solutions throughout our operations.	We are committed to minimising our environmental impact from the very beginning, selecting low-impact equipment, materials, and processes. This includes designing for higher energy and water efficiency and fostering innovation that provide ESG benefits while promoting minimalistic design principles.	Our sphere of influence includes the entire value chain, including suppliers and clients in our environmental efforts. By assessing and reducing our collective environmental footprint, we aim to enhance recycling measures, reduce waste, and foster a circular economy.	We are dedicated to benefiting the communities and ecosystems in which we operate. This involves supporting sustainable workplaces to enhance work-life balance and engaging in actions to foster local social and natural ecosystems.	Our commitment to leading by example is critical. Through accurate measurement, reporting, and participation in awards and industry forums, we aim to demonstrate our progress and inspire others.
▼	▼	▼	▼	▼
2030 TARGET	2026 TARGET	2050 TARGET	2026 TARGET	2024 TARGET
Matching 100% of data centre consumption with renewable energy sources.	Obtain a Power Usage Effectiveness (PUE) Value of 1.3. ¹	100% of our suppliers and contractors to deliver Environmental Product Clarifications (EPD). ¹	Fostering natural and social eco systems through 4 initiatives per project by 2026.	Achieve ISO certifications regarding environmental management (14001), energy management (50001) and greenhouse gas reporting (14064).

¹ As definition of a PUE as well as EPD, can be found in the glossary.

OUR ESG MANAGEMENT FRAMEWORK

Leveraging early involvement in the value chain

Maximise positive impact and minimise negative impact of our actives on the environment and society.



As outlined in our commitment, we aim to be a leading player in generating essential assets in a sustainable way by 2030. We believe that the best way to achieve this ambition is to get involved early in the value chain and control as much of the upstream activities in the development, construction, and operation of essential assets as possible.

To do this, we use a robust approach to identify, avoid, and mitigate negative ESG impacts throughout the entire value chain and lifetime of our assets. The goal of our ESG management approach is to maximise the positive and minimise the negative impacts of our activities on the environment and society at both the project and portfolio level.

In our [2022 Sustainability Report](#), we explained the general process we use to manage ESG elements throughout our value chain. This included how we consider ESG criteria when we source assets, conduct due diligence when we see the potential for negative impacts, incorporate ESG into our decision-making, action our mitigation plans and monitor the execution throughout. We call this work ESG management.

Subsequently, we provided a more extensive explanation of the tools, people and processes involved in the management of ESG factors via our published [ESG Integration Policy](#).

In this report we reiterate key elements of our process, provide more transparency on the groundwork underlying our approach and hone in to the practical application of ESG management using the development and long-term management of a solar PV farm in Europe as an example. Lastly, as human rights have become a bigger risk in the supply chain of solar PV, we take a deep dive into how we assess potential human rights risks in our solar PV projects and use safeguard processes as part of our ESG management framework, to outline what we are doing to manage this industry wide challenge.

This section focuses on how we avoid, manage, and mitigate potential negative ESG impacts. It is important to note that we take a double materiality perspective in all our ESG activities. This means that we consider the impacts – actual or potential negative financial effects of ESG elements on the value of our projects and assets – and the effects of our projects and operations on the environment and society.

- 1.
- 2.
- 3.
- 4.

FROM SOURCING TO INVESTMENT DECISION

At Aquila Group it is important that we consider ESG elements from the very beginning and across all activities over the lifetime of an asset. This is why we have processes to consider ESG factors regardless of when, where and at what stage we embark on the development, construction, or operation of a new project. For example, if we explore solar PV as an opportunity in a market we have not been in before, then we make sure that we are able to identify the potential new impacts or risks related to this market with regards to this technology. Depending on the ESG factors that are material, additional analyses and processes can be required. The incidence of human rights risks in global solar PV value chains, requires the use of an additional supplier screening process for this asset class. This process enables us to mitigate potential human rights violations within our supply chain, an industry challenge we are tackling as lead members of Solar Stewardship Initiative (SSI) outlined in the next chapter on [page 49](#).

Our ESG due diligence process is guided by a proprietary risk assessment tool. This tool is informed by industry frameworks such SASB (Sustainability Accounting Standards Board), IFC (International Finance Corporation) Performance Standards and GRESB (Global Real Estate Sustainability Benchmark), as well as our internal expertise in real asset development, construction, and operation. The ESG risk assessment walks our employees through the analysis, evaluation, and management of project specific ESG-related risks. We say project specific, because there are certain ESG factors, which are less likely to require project specific measures, such as health and safety or waste management. For such factors we define standard management requirements to bind our counterparties to their legal requirements and our expectations for responsible business practices. Our contracts also require business partners to report on their ability to minimise potential adverse impacts so that we understand and can monitor our indirect impacts on the environment and society, alongside those for which we have greater control.

For solar PV, project specific factors we consider in the ESG due diligence process are outlined in the table on the right. These factors are analysed and evaluated using third-party assessments that often include site visits. When a due diligence exercise highlights the potential for adverse impacts then we use a three-step approach: We aim to avoid, reduce, and restore all negative impacts to the maximum extent possible.

For solar PV projects, strategies to avoid negative impacts often include an adjustment in design and layout of the project as well as the selection of suitable equipment to meet potential physical climate risk challenges e.g. elevating panels to avoid damage from flooding. Moreover, we also need to assess and address all community-related impacts and potential for human rights violations related to land rights. Our stakeholder engagement process, which is initiated during the licensing process and carried out through to the operating stage helps us to have constant dialogue with local stakeholders and puts us in a position to mitigate any potential adverse impacts on communities – such as infringement on land use, impact on economic activity or negative influence on cultural heritage.

In conclusion, every project at Aquila Group must undergo a variety of decision gates prior to the decision to develop, construct and/or operate an asset, which all require the formal approval of an investment committee. For an investment decision to proceed in favour of a particular project, internal guidelines require that the findings of the ESG Due Diligence are included in the investment proposal and discussed in the Investment Committee. The decision to proceed depends on many factors, including the ESG risk level and the viability and appropriateness of the proposed mitigation measures.

Project specific ESG factors for a solar PV park

ENVIRONMENT	SOCIAL	GOVERNANCE
Impact on biodiversity sensitive areas	Proximity to urban areas	Risk of additional permitting and license requirements
Impacts on fauna and protected species	Impacts on local economic activity	Risk of corruption in permitting and licensing of the project
Land-routes and migration paths	Social/political opposition	
Archaeological sites	Impacts on indigenous people and/or lifeforms	
Land contamination	Cultural heritage	
Physical and transitional climate risks		



1. 2. 3. 4.

ASSET MANAGEMENT DURING DEVELOPMENT, CONSTRUCTION AND OPERATION

Once a project is acquired, depending on its development stage, we take over the responsibilities for the management of the asset, which includes the monitoring of ESG risks, implementation of outstanding mitigation measures and oversight of counterparties. In some of our locations the teams responsible for this work can leverage dedicated sustainability experts who then take over specific responsibilities for ESG Management.

During development, construction, and operation we collaborate with many different counterparties along the value chain. Depending on the project, this might include suppliers, engineering, and construction (EPC), operational and management (O&M) companies. Our partnership with these companies exposes us to different ESG risks and impacts and our requirements for their services need to be adjusted respectively.

For example, we screen solar PV module suppliers to assess their incorporation of human rights protection in their supply chain. Meanwhile EPC and O&M companies operating at our European plants have greater exposure to health and safety (H&S) risks as well as environmental impacts through their focus on construction and operational work. To manage this, we specify health and safety as well as environmental management requirements in our contracts. To oversee and manage the performance of our counterparties we require periodic reporting along key H&S, social and environmental indicators. Our stakeholder engagement approach that allows for valuable feedback during development, construction and operation, strives to balance renewable energy benefits with local community needs for shared value creation and environmental protection. Lastly, it is important that we install the appropriate grievance mechanisms to enable continuous communication and feedback from all our stakeholders.

4.

ASSET MANAGEMENT

Development | Construction | Operation | Decommissioning

Oversight of ESG impacts, including implementation and monitoring of mitigation measures

Stakeholder engagement & grievance processes

Counterparty risk identification, contractual obligations & monitoring and reporting from service providers

Additional processes applicable to PV Solar Assets

PV Supplier Human Rights Screening Process



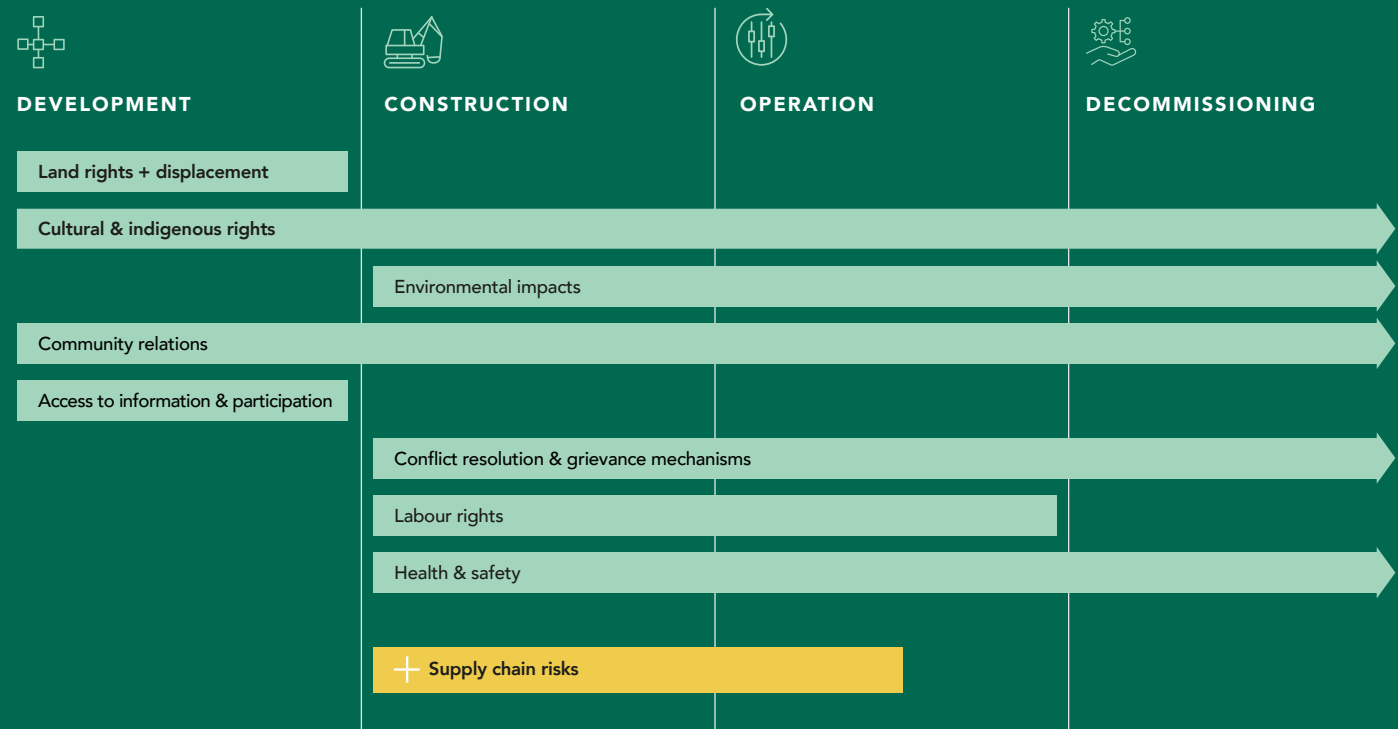
SPOTLIGHT

Human rights risk management for solar PV

In 2021, initiated through the report “In Broad Daylight – Uyghur Forced Labour and Global Supply Chains” by the Sheffield Hallam University, attention was brought to human rights risks in global solar PV supply chains.¹ At Aquila Group we took this as starting point for a gap analysis of our existing management framework for this asset class with regards to human rights standards.

We carried out a materiality analysis to identify the most important potential impacts on human rights along the value chain. In a second step, using a gap analysis we identified whether these human rights impacts were covered within our existing ESG management framework. Where gaps were identified to our existing processes, then they were amended, or new processes were defined.

IDENTIFIED POTENTIAL HUMAN RIGHTS IMPACTS ALONG THE SOLAR PV VALUE CHAIN



¹ Sheffield Hallam University Helena Kennedy Centre for International Justice, Murphy, L and Elimä, N., 2021: In Broad Daylight: Uyghur Forced Labour and Global Solar Supply Chains.

SPOTLIGHT

Human rights risk management for solar PV continued

Areas where our existing framework proved to be robust, included in assessing the potential for human rights related risks related to the acquisition of land and the potential impacts of solar PV projects on local communities including indigenous people and ecosystems. These potential impacts, were, and continue to be, analysed in our ESG Due Diligence processes. This means that in cases where our risk assessment flags the potential for these risks that project specific evaluations by third-party due diligence providers are required for a detailed understanding of the issue and for the creation of viable mitigation strategies. Further, in Europe there are generally strong requirements with regards to labour rights as well as health and safety standards, which we address by binding our EPC and O&M service providers to these standards and through a requirement to receive regular reporting. In addition, we recently improved the monitoring of our assets with regards to health and safety (H&S) through the employment of dedicated specialists in Spain and Portugal, the locations where most of our construction projects are located.



Our human rights gap analysis also showed that the laws in many countries require engagement with local communities as part of the permitting process for solar PV projects. However, through this analysis we noted that in our processes we take this one step further as we believe that it is important to create shared value for the communities where we develop, construct and operate our assets. To support this, our sustainability managers in Iberia developed an engagement process within which a stakeholder analysis is carried out and project specific engagement plans get defined. Additional grievance mechanisms ensure that our relationships with the community get constantly monitored and a dialogue is enabled. We aim to further extend these processes across all our locations.

An area where our human rights gap analysis strengthened our work, was in the processes and granularity we use to assess solar PV module suppliers, which are now classified according to their risk level with regards to human rights risks. On top of this, we created and implemented an additional supplier screening process in which we analyse a supplier's human rights management system for their operations as well as their upstream supply chain to help us manage this risk. Before ordering components, we request a traceability mapping of solar PV modules so that we can exclude sourcing from areas that contain high risks of human rights violations. Only when suppliers can give us comfort that the end-to-end mapping of materials excludes regions with high risks of human rights violations and provide evidence of a system to manage human rights risks, then they become eligible as suppliers for our solar PV projects.



However, there is a general lack of transparency in the market that requires collaboration, which we are tackling through our leadership and engagement in the Solar Stewardship Initiative (SSI) explained in more detail on the following pages. Through the SSI we aim to contribute to industry-wide improvements for transparency across the sector.

While we have done a lot to better understand and manage human rights risks specific to our business dealings, we acknowledge the challenges inherent in our industry.

We are committed to continuously revise the effectiveness and scope of our ESG management approach and to revisit the sphere of material ESG factors across all our asset classes on ongoing basis.

OUR SUPPLY CHAIN

Ensuring systematic supplier screening across key issues

The global emphasis on supply chain traceability and transparency underscores the importance of evaluating the intricate upstream processes involved in the production of clean energy technologies.

We have created a system to screen our suppliers on a range of environmental, social and governance issues, such as human rights, carbon emissions, their implementation of international standards as well as national and international laws through their supply chain and willingness to manage ESG impacts.

Understanding where and how products are made is crucial in every industry, including in the clean energy sector. We take this responsibility seriously by vetting our suppliers for their Environmental, Social, and Governance (ESG) practices. This includes analysing their standards and approach to human rights, carbon emissions, and how they ensure responsible sourcing in their operations and across their supply chains.

Our screening process is focused on evaluating suppliers in two stages – upstream and downstream – through multiple gates.

Our processes involve the initial screening and pre-qualification of suppliers based on a combination of ESG and commercial metrics. These evaluation criteria are then independently assessed to create a shortlist of suppliers for segmentation.



1



UPSTREAM

This involves the evaluating the supplier's supply chain sourcing of raw materials, assessing if their sub-suppliers follow ESG requirements such as fair operating procedures, and whether they source from companies that follow labour practice laws and international human rights regulations and standards.

2



DOWNSTREAM

The focus of this assessment is the supplier's organisational governance and conduct while dealing with customers, governments, and sub-suppliers, assessing how their approach impacts relationships and fosters an atmosphere of shared value creation.

2023 IN REVIEW

While we made progress in 2023, we faced several challenges in obtaining quality market data, which is essential to conduct objective supplier assessments. This was compounded by an industry-wide reluctance to share information without a corresponding business commitment and a ‘chicken and egg’ dilemma for our assessment of suppliers and partners against ESG factors. Our partnership with the Solar Stewardship Initiative (SSI) is crucial in helping us to navigate these challenges and in supporting our commitment for improved supply chain transparency. By enhancing market data quality and conducting thorough supplier assessments, our aim is to cultivate a more sustainable and collaborative supply chain ecosystem.



SOLARPOWER EUROPE (SPE)

As a member of SolarPower Europe (SPE), which includes players from the solar industry, ranging from polysilicon producers to independent power producers, we joined the Solar Stewardship Initiative (SSI). The SSI aims to enhance transparency across the solar supply chain, establishing standards and reliable information sources to assess ESG performance within the industry.

SOLAR STEWARDSHIP INITIATIVE (SSI)

In 2023 a key focus area was to improve our processes to evaluate counterparties for industry wide engagement. Our procurement team adopted a uniform evaluation criterion to meet the growing demand for traceability and transparency. Using the Solar Stewardship Initiative (SSI) scorecard, we assessed supplier performance and commitment to improvement. These evaluations were verified by third parties and consider a range of ESG key performance indicators:

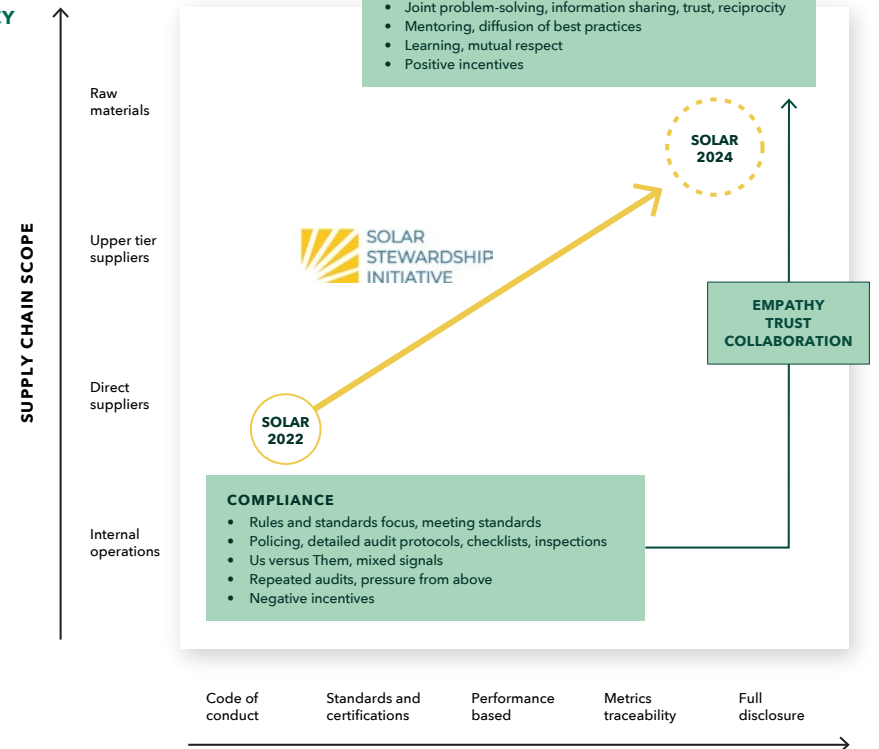
- Environmental practices**
 Commitment to pollution prevention, sustainable resource use, and climate action.
- Organisational governance**
 How sustainability decisions are made and implemented.
- Human rights**
 Adherence to globally recognised human rights principles such as the UN guiding principles on business and human rights including topics such as working hours and employment conditions amongst several others.
- Labour practices**
 Compliance with International Labour Organisation (ILO) standards.
- Fair operating practices**
 Ethical conduct in dealings with business partners, competitors, and associations.

LOOKING AHEAD

To support our goal of achieving ISO 20400 accreditation for sustainable procurement across all our supply chains by the end of 2024, introduced in our 2022 Sustainability Report, we engaged an external consultant this year to conduct internal ISO 20400 training including a gap analysis to ensure our compliance with the standard. Going forward and building on the implementation of the enhanced supplier evaluation framework, we will focus on process optimisation and deploying more stringent criteria within the supplier evaluation process ranging over the whole procurement process, from supplier identification to the respective phase-out.

In line with this, we aim to have long-term partnerships, especially with suppliers in critical categories with a high revenue impact, such as solar PV modules or wind turbines, to improve transparency and create trust-based collaborations for the future.

TRANSPARENCY DEMAND IN THE SOLAR PV CHAIN



SPOTLIGHT

Group Head of Procurement

Ozer Ergul



Q

Could you elaborate on the Aquila Group strategy for mitigating ESG risks, particularly in relation to human rights violations within the supply chain?

A

To mitigate ESG risks, we've implemented a homogeneous evaluation framework across all supply chain sourcing categories. This strategy includes selecting suppliers and contractors based on verified supply chain transparency and, for our solar PV sourcing categories, on self-declarations and external audits by Solar Stewardship Initiative (SSI) certified auditors. These audits, conducted independently, provide a robust verification process for suppliers and are becoming a key criterion in our selection process, reinforcing our commitment to responsible procurement practices.

Q

Could you explain the role of the Code of Conduct for Business Partners in terms of environmental and social considerations?

A

The Code of Conduct for Business Partners is a crucial tool in binding counterparties to our standards. It formalises requirements for environmental and social considerations, human rights, and anti-corruption. Acceptance and compliance with these terms represent a key criterion in evaluating, selecting, and engaging with business partners. By reflecting our ambitions to advance social and environmental responsibility, the code may potentially require business partners to go beyond compliance with locally applicable laws and regulations. Our Code of Conduct is embedded in our supplier contracts, which includes the right for an independent audit of supplier facilities and processes and the right to terminate with any signs of non-conformance.

Q

Why is it important to ensure supplier segmentation in order to adapt to market conditions while mitigating ESG risks?

A

The supplier segmentation process at Aquila Group is comprehensive and groups suppliers into three segments, based on a combination of Environmental, Social, and Governance (ESG) and commercial metrics. The first one, eligible for a strategic partnership with the highest overall scores, will be engaged in a deeper and more long-term collaboration, contributing to a sustained and transparent relationship and can respectively be awarded with 60% of our business share in that product category. Secondly and thirdly, we divide into 'preferred' and 'approved' suppliers. While still meeting minimum requirements, they participate in a more competitive bidding structure. This flexibility in segmentation allows us to adapt to market conditions, emphasising collaboration and transparency across all sourcing categories, whilst still prioritising suppliers that align to our values expectation and standards.

Q

As the Group Head of Procurement, how do you foresee the future landscape of sustainable procurement, especially in terms of supply chain transparency and traceability?

A

We anticipate a continued emphasis on these aspects globally, driven by the growing demand for responsible business practices. This shift is not merely a trend but a fundamental transformation in the way companies engage with their supply chains. The Solar Stewardship Initiative (SSI) in addition to our membership with SolarPower Europe exemplify our commitment to shaping this future landscape. We anticipate increased scrutiny on Environmental, Social, and Governance (ESG) aspects, necessitating a proactive approach to supplier evaluation and collaboration.

SUPPORTING OUR COMMUNITIES

- Stakeholder engagement
- EMEA stakeholder engagement & giving back
- APAC stakeholder engagement & giving back

STAKEHOLDER ENGAGEMENT

Aligning the benefits of renewable energy and community wellbeing

By 2030, we aim to be recognised as an industry player that cares for the community. This includes the work we do to actively engage with local communities in the areas that we develop, build, and operate essential assets as well as giving back in the communities where we have offices and societies in need beyond our local presence.

We aim to engage with our local stakeholders as early as possible, to understand and address their concerns as we develop, construct and operate essential assets.

Our approach allows us to gather valuable stakeholder feedback that influences our planning processes and decision-making. We strive to balance the benefits of renewable energy with the needs of our local communities for shared value creation and environmental protection, while adhering to legal requirements. Our efforts are guided by the Sustainability Plan for Project Delivery (SPPD), launched in 2021 and effectively implemented in Spain, with plans to roll out to projects globally. The SPPD outlines sustainability principles across all project phases, addressing challenges and providing tools to support local communities and environmental efforts.

Our regional and local teams, equipped with expertise in Environmental, Social and Governance (ESG) issues, legal, and tax knowledge, assess the potential impacts of our projects on communities. By engaging with local communities from the start, we gain insights that help shape projects, offering social benefits and local value, including providing funding, skills, and employee resources, while also aligning to our business strategy. Through ongoing dialogue and relationship building, we aim for solutions that satisfy everyone involved. For further details, please refer to our [2022 Sustainability Report](#).

STAKEHOLDER ENGAGEMENT OUR FIVE-STEP APPROACH

There are five key stages we work through to effectively engage with communities and stakeholders involved in our projects as part of our SPPD work.

1

OPEN CONVERSATIONS

We prioritise clear and direct discussion with local governments and key community voices.

This approach is all about building trust, clearing up any inaccurate perceptions, and sharing factual information about our projects. Also, to gather the main needs that the communities may have and that can be linked to the management of our social and environmental impacts in the municipalities.

2

COMMUNITY INTERACTION

To keep everyone informed and to prevent any misunderstandings, we openly discuss what our projects are truly about.

We highlight the environmental impacts and how they can boost the local economy and create jobs, ensuring the community understands the positive impacts.

3

OPEN DOOR APPROACH

We create a range of opportunities for people to ask questions and get information, keeping our doors always open for any inquiries.

This ensures everyone can find out what they need to know, maintaining a transparent relationship with the community.

4

EMPLOYMENT AND LEARNING OPPORTUNITIES

We offer job openings and training programs by working with local authorities, and aim to improve local employment rates and skill levels.

Our focus is on investing in the community's future and helping local talent grow alongside our projects.

5

SUPPORTING LOCAL BUSINESSES

Where possible we buy from local suppliers to help boost the local economy

This commitment helps ensure the benefits of our projects ripple through the community, strengthen our ties, and support mutual prosperity.



Our goal is to integrate our projects as easily as possible into community life, ensuring as we grow, the community grows along with us and that we are building a future that's beneficial for everyone.

EMEA

STAKEHOLDER ENGAGEMENT & GIVING BACK

COMMUNITY INITIATIVES

NORWAY & FINLAND

At our Midtjøllet wind farm in South-West Norway, we actively contribute to the community with an annual Midtjøllet Day in collaboration with the local sports club. The event brings the community together with a lively blend of cultural and sporting activity. Beyond celebrations, we provide substantial support through annual donations totalling approximately 35,000 euros to community organisations including schools, kindergartens, and senior centres.

We are also supporting local talent by granting the local university access to the Midtjøllet wind farm, promoting education in renewable energy.

For more information please refer to the [case study](#), covering our approach in more detail, published by the Global Infrastructure Investor Association (GIIA).

Near our Mastokangas wind park in Finland, we've constructed two laavu for public use. These structures offer locals a recreational space right in the wind site area.¹

SOCIAL AND ECONOMIC PROGRESS

SPAIN

In recognising our responsibility to support local progress where we establish our assets, we have signed agreements with the city councils in

- 1 **PEPINO** in the province of Toledo and
- 2 **MONTEALEGRE DEL CASTILLO** in the province of Albacete

Consisting of several measures, these initiatives are integral to the establishment of our solar PV plants in each region.

Benefits to the local communities:

- Creation of approximately 70 and 140 jobs during construction phase of each plant
- Generation of revenue for public funds for local community development
- Training sessions for unemployed people
- Advanced training on PV installation for design and assembly staff and maintenance technicians
- Environmental education for schoolchildren and general audiences

DISASTER RELIEF

TURKEY

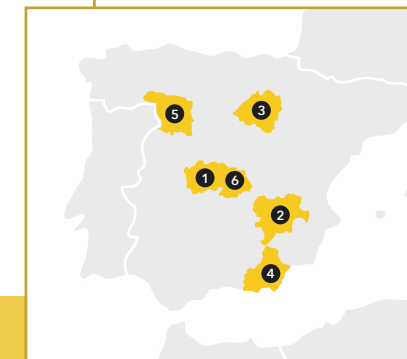
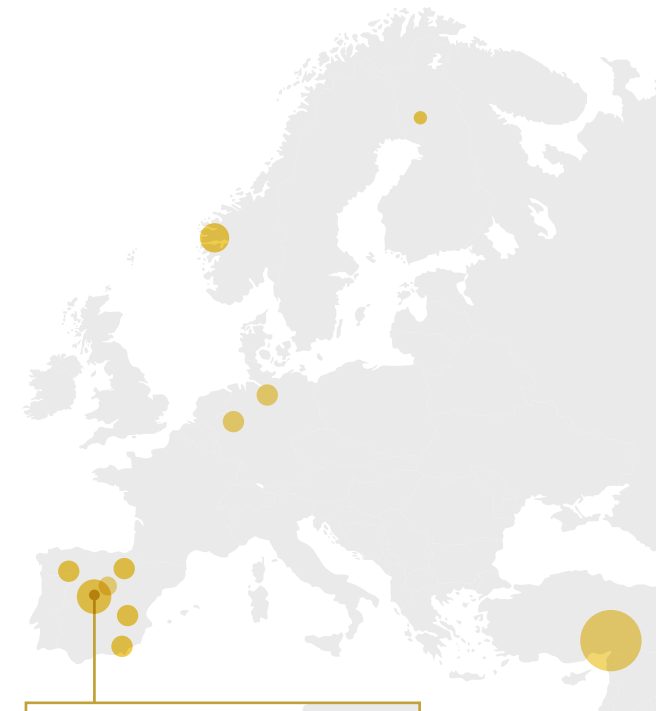
In 2023, devastating earthquakes of 7.8 magnitude were one of the strongest to hit the region of southern Turkey and northern Syria in more than 100 years, resulting in over 50,000 deaths. Given the impact of this catastrophe, the Aquila Group management decided to initiate a charity. In addition to a donation from the company, the amount of donations from our employees was matched as well. Donations were made to the official Turkish Disaster and Emergency Management Authority (AFAD).

CHARITY EVENTS

GERMANY & SPAIN

Our community work across the EMEA region also includes participation in sporting events to raise money and awareness for a range of charities. Employees took part in the following in 2023:

- **Hamburg B2Run**
- **J.P. Morgan Corporate Challenge**
- **Madrid's corporate run: La Carrera de las Empresas**



FURTHER INITIATIVES

- 3 **MATALEBRERAS SORIA**
Hosting job opportunity events and connect local suppliers with developers, boosting local economies.
- 4 **TALBERNAS ALMERIA**
Organising educational visits for students to olive oil mills, offering insights into oil production and its role in biodiversity.
- 5 **MUELAS DEL PAN ZAMORA**
Running environmental and biodiversity educational campaigns, including planting in school gardens.
- 6 **LA SAGRA MADRILEÑO TOLEDANA**
Supporting the Iberian Harrier conservation campaign with Grupo de Rehabilitación de la Fauna Autóctona y su Hábitat (GREFA) in, focusing on monitoring and protecting these species.

¹ A definition of a Finnish laavu (pl. laavut) can be found in the glossary.

OCEAN HEALTH AND SOCIAL JUSTICE

INDIA, CAMBODIA & INDONESIA

Through AQ Compute, we support CleanHub, in their mission to remove plastic waste from our oceans. Our partnership underscores our commitment to human rights and active involvement in Asia, aiming to create social impact and inspire change. We're dedicated to improving the lives and working conditions of those in the waste management industry. Further details on our membership with CleanHub to be found [here](#).

CLEANHUB IMPACT PROGRESS¹



800kg
goal

631kg
collected, equivalent
to 63,123 plastic bottles (0.5l)

APAC STAKEHOLDER ENGAGEMENT & GIVING BACK

FEMALE EMPOWERMENT

SINGAPORE

We partnered with United Women Singapore (UWS), a Singapore-based non-profit organisation that advances women's empowerment and gender equality, to deliver our bespoke 'Speak-Up' workshop. It focused on communication and negotiation skills for a group of female students preparing to enter the workforce. Our employees, amongst them, Maree Myerscough, COO & General Counsel Asia-Pacific, and Kelly Weber, Senior Corporate Communications Manager APAC, covered the elements of effective & confident communication as well as how to negotiate impactfully. Our hope is that these skills will support the young women as they navigate their employment search, interviews, and new jobs.



SOCIAL RESPONSIBILITY

SINGAPORE

As part of our Diwali celebrations, we partnered with local non-profit organisation It's Raining Raincoats, which works to improve the lives of migrant workers in Singapore. We raised funds, assembled care packages and delivered them to the organisation's beneficiaries.

CLEAN-UP INITIATIVES

JAPAN & TAIWAN

In order to help sustain the communities we live and work in, we conducted several clean-up initiatives, including a beach clean-up in Singapore, a community clean-up initiative in Kimitsu City, Japan where our Kimitsu solar plant is located, and a mountain clean-up initiative in the Guanyinshan National Scenic Area on the north coast of Taiwan.

PROGRESS IN APAC

In 2023, we've welcomed a Senior Community Engagement Manager for Australia and New Zealand to our team, who will work alongside our regional sustainability teams and lead stakeholder engagement and community projects as we continue our development and kick off construction in these areas.

We also launched a comprehensive Corporate Social Responsibility (CSR) plan in Singapore including identifying organisations we wanted to support and activities that would be meaningful to our colleagues, aligned with our values. As part of this, CSR opportunities were identified in Taiwan, Korea and Japan, with the first CSR activities already launched in some of those markets. We are looking forward to doing more in the future.

1 Since September 2023, 631 kg of plastic has been collected. The aim is to reach a total of 800 kg by August 2024.

SPOTLIGHT

EcoSolar – Our award winning concept

Earlier in this section we highlighted our five-step approach to engaging with our communities. This approach was used to create our EcoSolar approach for which we were recognised this year.



Through our engagement with the community in Cercal, Portugal, we pinpointed key concerns and are actively studying them to understand and mitigate their impacts, such as the loss of biodiversity, negative impact on soil quality and temperature increases. To help us, we entered research and development (R&D) partnerships with the University of Lisbon, and the University of Évora due to the lack of scientific knowledge with regards to the impact of large-scale solar PV plants on the environment.

Through these partnerships we began characterising local species, creating soil samples and installing temperature sensors to monitor changes closely. We are also running a pilot project to identify the best crops to grow around our solar panels to use the land efficiently and support local agriculture. This laid the groundwork for our Agrivoltaic strategy, where farming

and solar PV energy production coexist. (For more information on Agrivoltaic, please refer to the Aquila Clean Energy EMEA Chapter).

Perhaps most importantly for the local inhabitants we created a Renewable Energy Community that will provide local families and small businesses with access to photovoltaic energy pricing and direct savings to their electricity bills. There will be several additional initiatives such as the planting of more than 6,000 trees, implementation of a landscape plan around the area, employment opportunities, circular economy assessments and a decommissioning plan.



In 2023 our EcoSolar Concept, was awarded the IJGlobal ESG Renewable Energy Award from a leading provider of market intelligence for project and infrastructure finance, IJGlobal. The award recognises the components of our comprehensive approach, highlighting our commitment to providing innovative solutions for environmental and social benefits.

PROJECT SPECIFICS

276 MW

envisaged production capacity.

140,000

homes set to benefit from clean energy annually.

1.4 m t CO₂e

lifetime avoided emissions potential.¹

50%

potential savings on energy bills for local residents.

¹ Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions". The LAE potential ranges from 0.4 to 1.4 m tonnes CO₂e. The baseline for the calculation has been set according to World Energy Outlook 2022 data and will be revisited every 3-5 years.





“EcoSolar has the potential to become a reference project in Portugal and could be used in the future as a best practice for the sustainable development of solar photovoltaic plants.”

LUIS FIALHO

Renewable Energies Chair, University de Évora

6,000

trees will be planted around the community of Cercal, Portugal

We partnered with Universities of Lisbon and Evora to discover the impacts of large-scale solar PV plants and developed mitigation strategies and support for local communities and environments.



CRISTINA BRANQUINHO
Professor of Ecology
University of Lisbon, Faculty of Sciences



LUIS FIALHO
Renewable Energies Chair
University of Évora



MIGUEL BRITO
Professor of Solar Energy
University of Lisbon, Faculty of Sciences



Collection of soil samples



Observing and collecting plant specimens for identification



Collection of soil samples



Plant identification using herbarium specimens



Evaluation of the soil decomposition potential



Identifying plant species with a stereo microscope



GIVING BACK

We understand that local engagement is vital, but we also believe in supporting our communities by helping to address their specific needs respectively promoting societal developments. In 2023, Aquila Group and our employees supported charities and people around the world.

Our community initiatives can take many forms, such as promoting awareness for renewable energy, clean-up initiatives, donations, collaboration with local universities, or charity work. By focusing on areas that align with our values and mission, we can have a positive impact on communities while contributing to the just transition to clean energy. Hence, we share just a few noteworthy examples among the many activities we organise.

LOOKING AHEAD

We've made several strides towards engaging with communities and fostering sustainable development. Witnessing the positive outcomes of our actions has been rewarding, and we're dedicated to pushing forward with these efforts. Yet we're also mindful that our journey is far from complete.

Our immediate plans include standardising our social management practices across all our clean energy regions and enhancing how we connect with local stakeholders.

We are committed to not only continue community support initiatives, but also actively pursue new partnerships that can amplify our social impact and are determined to set higher benchmarks for ourselves as we progress towards our ambitious goals.

LEADING BY EXAMPLE

- Supporting our employees
- Global workforce statistics 2023
- Managing our operations



SUPPORTING OUR EMPLOYEES

Fostering learning, diversity and growth

Our ambition is to be an organisation that leads by example in supporting our talent to thrive and grow. We understand that in the fast-paced and evolving landscape of our industry, continuous learning and fostering personal and professional development are as important as creating an inclusive and diverse culture. Our employees are vital for the success of our company.

In addition to posing headwinds to our business results, 2023 also proved to be challenging for our human resourcing activities. Our industry – which includes competitors in the Independent Power Producers (IPP) and asset management sectors – saw significant fluctuations in their workforce. Not only was there an increased fight for talent, but many companies were also forced to adjust their business models and employee base to accommodate a challenging market environment. While Aquila Group was not immune to these circumstances, we saw our overall headcount grow by 4% to 714 talents representing 59 nationalities in 18 countries.¹ Despite this growth, we also saw an increased turnover in our workforce. Being aware of the forces present across our industry and defined a goal in 2023 – to maintain a voluntary employee turnover rate of 15% or lower until 2025 – to make sure we address this in the years to come. This indicator, a proxy for employee satisfaction, is what we will use to measure our success in supporting our talents to thrive and grow.

Aligned with this ambition we introduced various talent development measures and diversity initiatives in 2023 built on the foundation we introduced in our [2022 Sustainability Report](#). We introduced two new initiatives this year – the Virgin Pulse Global challenge and the Coursera challenge, to support the physical and mental wellbeing of our people while encouraging a culture of continuous learning. As in past years we continued to celebrate diverse cultures and traditions in 2023, such as International Women’s Day, Lunar New Year, Hari Raya Aidilfitri, and Diwali to continue to underpin our belief that our diverse perspectives drive our business performance.

WORKFORCE GOAL

To maintain a voluntary turnover rate of



15%
or lower until 2025



“Nurturing talent development in a diverse and inclusive environment fuels personal and professional growth as well as business results. We aim to unlock various perspectives to drive sustainable performance and support our employees to thrive and grow.”

MARC-AUREL KAISER

Group Head Human Resources & Organisation

¹ The total number of employees excludes working students and interns.

TALENT & DEVELOPMENT

GLOBAL E-LEARNING PLATFORM

We've partnered with Coursera since 2021 to give our leaders, managers, and employees access to top-tier online courses from renowned universities and companies. This move towards digital learning aligns with our environmental goals, reducing our carbon footprint through less travel and physical resource use.

In 2023, our employees engaged with Coursera to build skills in preferred areas ranging from Project Management and AI to Sustainable Finance. The range of interests across Aquila Group reflects the broad scope of professional development and learning pursued across the organisation. Yet when looking at training preferences at the business level, the diverse needs of our workforce become apparent. Employees within Aquila Capital gravitated toward financial markets and MS Office skills, whereas those employees in our Aquila Clean Energy EMEA and APAC businesses showed a preference for construction project management and sector-specific topics, including wind energy courses.

While we are pleased that this Coursera set-up allows us to foster continuous learning, we recognise that we still have a long journey ahead. To support our employees with their personal development we offer them the opportunity to spend five hours of their work time per month to take courses on Coursera related to their career profile.¹

Language courses

We recognise language as a fundamental element of communication and acknowledge its role in enhancing collaboration across diverse cultural backgrounds. Therefore, we offer opportunities to learn business-relevant languages to all employees. These programs are designed to break down communication barriers, improve job performance, open new career pathways, and create a more inclusive and communicative work environment. All important elements for attracting and retaining diverse talent, essential for the sustained success of our business.

TARGETED DEVELOPMENT OPPORTUNITIES

Our development initiatives cater to a broad range of needs, focusing on both technical skills and personal growth:

Emerging talent programs

We run specialised programs including the Investment Trainee Program and International Alternative Analyst Asset Program. Participants rotate through several areas of the company, allowing them to form an overall picture of the business model and structure, while also completing customised training modules. This aims at a well-rounded understanding of our business and nurturing our own pipeline of skilled professionals.

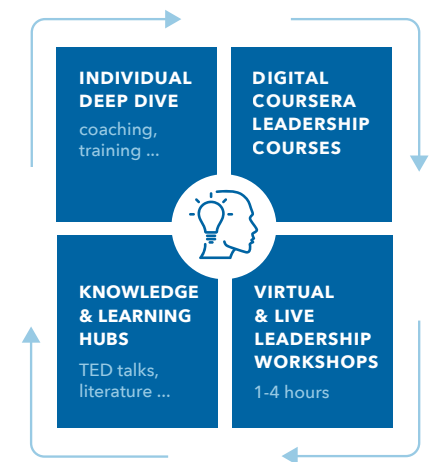
Leadership academy

Building on the success of our Eagles Leadership Academy in 2022, we've continued to offer tailored learning sessions for managers. The academy's learning opportunities fit into people's everyday schedules to foster continuous learning. It includes individual coaching sessions, live and virtual group training, digital courses, and networking opportunities (see first diagram). As well as targeting most levels of our leadership, the academy focuses on first-time line managers joining from another company. It offers 11 different topics under the headings of 'Leading organisations', 'Leading teams' and 'Leading self' (see second diagram). In 2023, we emphasised 'Leading Teams' and 'Leading Self', with courses on conflict management, time management, and inclusive leadership, among others, to support our managers at all levels.

Personalised leadership coaching

We offer 1:1 sessions for our line managers and leaders, who can select from a pool of expert coaches. Through tailored guidance, constructive feedback, and targeted skill enhancement, we empower our managers to effectively navigate challenges, refine decision-making skills, and cultivate a positive organisational impact. This dedication to personalised coaching not only strengthens managerial proficiency but also fosters a resilient and adaptive corporate culture.

MODULAR FRAMEWORK



EAGLES LEADERSHIP ACADEMY SECTIONS

LEADING ORGANISATIONS
C-levels & group heads

LEADING TEAMS LEADING SELF
Heads & team heads

FUNDAMENTAL
Leading self, teams & organisations on Aquila values / anti-harassment; D&I / change management

¹ Five hours are applicable for full-time employees and will be adjusted for part-time employees on a pro rata basis.

SPOTLIGHT

Supporting health and development in 2023

In 2023, we launched two initiatives to support the physical and mental wellbeing of our people, encouraging a culture of continuous learning. These initiatives, the Virgin Pulse Global Challenge, and the Coursera Challenge, not only underscore our commitment to employee welfare but also reflect our resolve to create a thriving workplace ecosystem.



VIRGIN PULSE GLOBAL CHALLENGE

This challenge promoted health and vitality among our employees, focusing on encouraging regular physical activity, stress management and the adoption of healthy habits. Team members participated in a contest and set themselves personal milestones. Covering the topic of daily activity, we had:



142

employees participated that collectively traversed...



74,151,253

steps, which is equivalent to walking



59,321

kilometres. It equates to circumnavigating the globe almost 1.5 times!



COURSERA CHALLENGE

We initiated this challenge in 2023, with the aim of boosting knowledge and engagement by completing monthly courses on business-critical topics. A commendable 66 participants embraced the challenge, investing their time and effort into acquiring new insights and skills, collectively enrolling in 155 courses over an eight-month period. 65 of these courses were completed with a certificate. The numbers underscore the success of the Coursera Challenge. In 2022, our employee learning community comprised 100 members. In 2023, it grew to 302 members. This tripling reflects the commitment of our employees to professional growth and that there is a thirst for knowledge within our organisational ecosystem. For this reason, we offer our talents the opportunity to spend five hours of their work time per month to take courses on Coursera related to their career profile.

BUILDING A FOUNDATION OF DIVERSITY

Our strength, success, and strong business performance are a result of the unique qualities of all our talents and teams. We celebrate the diversity of culture, gender, age, sexual orientation, abilities, skills, and experiences, which we outline in our [Values](#).

By valuing different approaches, diversity helps us to encourage an environment for innovation, risk-taking and ultimately our track record of successful business outcomes.

We are committed to being an organisation where all employees feel valued, respected, and engaged, with a focus on several areas as highlighted in the diversity and equity wheel opposite.

Acknowledging the critical role language plays in uniting us we carefully review all our communications, including job descriptions and internal correspondence. To eliminate stereotypes and biased language, we rely on the Develop Diverse™ software, aiming to ensure the seamless integration of inclusive language across all communication channels.



CELEBRATING OUR DIVERSE CULTURE

A part of our diversity strategy is to promote and recognise an inclusive culture, by coming together and sharing our diverse backgrounds and experiences. While we plan to launch similar initiatives globally in the future, we celebrated a wide range of regional and global days and festivals in 2023, including:

Lunar New Year

22 January, 2023

We celebrated ushering in the Year of the Rabbit with a Lunar New Year celebration in Singapore. Across Asia and the globe, more than 1.5 bn people celebrate the start of the new lunar year annually. It represents the chance to reunite, connect and continue time-honoured traditions as well as a chance to leave the old behind and usher in the new.



International Women’s Day

8 March, 2023

On International Women’s Day, we held an event in Madrid where our Group Head HR, Marc-Aurel Kaiser, outlined our dedication to gender equality. The event featured a panel of female leaders from our team discussing the advantages of gender diversity. After this there was a debate on the challenges facing us in sectors with low female representation, such as energy. The event attracted more than 70 participants, both online and in person.

Hari Raya Aidilfitri

22 April, 2023

Eid al-Fitr, also known as Hari Raya Aidilfitri, is a festival that marks the end of the holy month of Ramadan. It is a time of joy, gratitude, and forgiveness for Muslims around the world. We thoroughly enjoyed our time delving deeper into the culture and traditions shared by one of our employees, and we thank her for generously providing us with these insights. Among delightful treats we had the pleasure of savouring lapis cake, a cherished delicacy in Malay and Indonesian tradition, during our gathering in the Singapore office.

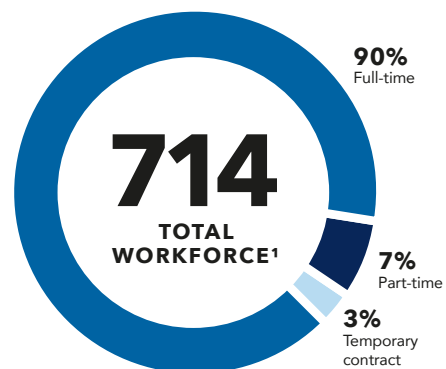


Diwali

12 November, 2023

We also celebrated Diwali in our office in Singapore. The festival of lights marks the triumph of light over darkness, good over evil, and knowledge over ignorance, and is celebrated in many Indian communities across the world. It’s always a delight to learn more about our colleagues’ traditions. During the Diwali festive period we also partnered with local non-profit, It’s Raining Raincoats, dedicated to improving the lives of migrant workers in Singapore and organised an opportunity for our team to give back to the community during this festive season. (Please refer to [page 55](#) for more information on this initiative).

GLOBAL WORKFORCE STATISTICS 2023



WORKFORCE BY TYPE

	2021	2022	2023
Full time ¹	79%	42%	90%
Part time ¹	12%	10%	7%
Temporary contract ¹	9%	7%	3%
Total workforce¹	679	688	714

WORKFORCE BY GENDER

	2021	2022	2023
Women	45%	42%	38%
Men	55%	58%	62%

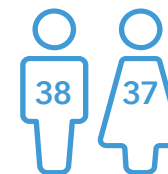
LEADERSHIP BY GENDER

	2021	2022	2023
Women	30%	27%	29%
Men	70%	39%	71%

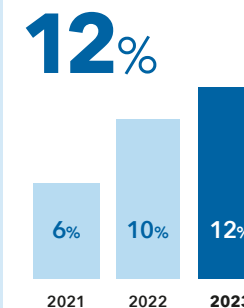
WORKFORCE BY AGE

	2021	2022	2023
<30	20%	27%	22%
30-40	40%	39%	41%
40-50	28%	23%	24%
>50	12%	10%	13%

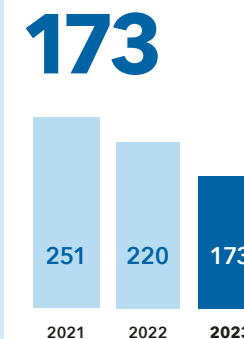
AVERAGE AGE



VOLUNTARY TURNOVER RATE²



NEW HIRES³



WORKFORCE BY COUNTRY¹

	2021	2022	2023
Germany	349	379	339
Spain	203	133	149
Luxembourg	38	33	29
Singapore	18	40	54
Portugal	17	28	35
Italy	16	14	24
Switzerland	8	11	11
UK	7	11	9
Greece	6	10	14
Netherlands	5	6	7
Norway	4	5	7
New Zealand	3	5	5
Czech Republic	2	1	1
Japan	2	3	5
Taiwan	1	6	12
Korea	-	2	5
Finland	-	1	1
Australia	-	-	7
TOTAL	679	688	714

NUMBER OF COUNTRIES

2021	2022	2023
15	17	18

18

NUMBER OF NATIONALITIES

2021	2022	2023
43	56	59

59

1 Excludes interns and working students as of 2023.

2 Only permanent contracts; as of 2023 reflecting the voluntary turnover rate only.

3 Only permanent contracts as of 2022; working students and interns excluded as of 2023.



LOOKING AHEAD

The success of our initiatives underscores our efforts to foster an environment where personal and professional growth are supported. And we are committed to creating a workspace where everyone feels valued, respected, and acknowledged as part of our diverse culture. Yet we recognise that there is still work to be done.

To support personal talent development, we offer our employees the opportunity to spend five hours of their work time per month to take courses on Coursera. Moreover, we believe that concrete results matter – hence we set the goal to keep our voluntary employee turnover rate below 15% as a proxy for employee satisfaction until 2025 – keeping it under the banking and finance industry turnover rate of 19%.¹ We plan to revisit this ambition in the coming years, as the turbulence in our industry abates and the changes required for the success of our business stabilise.

¹ The voluntary turnover rate refers to employees leaving the company on their own behalf; average banking and finance industry turnover rate at 18.6% according to: "A study about the employee turnover problem among bank employees", June 2019 from the Journal of Emerging Technologies and Innovative Research (JETIR).

MANAGING OUR OPERATIONS

Aligning our actions to our aspirations

We recognise that managing the carbon footprint of our activities plays an important role in mitigating the impacts of climate change. While our business – to develop, construct and operate essential assets – requires a certain level of mobility it is our ambition to lead by example in how we manage the environmental footprint of our operations. In 2006 we started offsetting our carbon footprint and have been doing so ever since. This year we introduced Scope 3 emission reduction goals to advance our efforts.

In our [2022 Sustainability Report](#), we laid out the main drivers of our corporate carbon footprint (CCF), such as business travel and employee commuting and introduced our “New Work” concept focused on managing the environmental footprint of our office spaces. In 2023 we continue this transparency, outlining the development of our carbon footprint and sharing what we did to decrease it. Even though we were able slightly reduce our total carbon emissions this year by 3% versus 2022, we are aware that we still have a lot of work to do.

This is why in 2023 we defined a goal to reduce our Scope 3 business travel emissions by 2030, our single largest driver of the total carbon footprint over the past two years. We plan to decrease our business travel emissions intensity by 20% by 2030. This means, based on 2023 figures, that we aim for a reduction from 1.72 tonnes CO₂e to 1.37 tonnes CO₂e per employee. We set this intensity level goal because we believe that it is important to use a local approach in the development, construction and operation of essential assets for our investors and consider employee travel to partners and our assets as essential.

TRAVEL GOAL

To reduce our Scope 3 business travel emissions intensity by



20%

until 2030

THE GREENHOUSE GAS (GHG) PROTOCOL

In line with the Greenhouse Gas (GHG) Protocol standards, we share our corporate carbon footprint for the third year in a row. Every year we continue to improve our database for emissions calculations, as it is crucial for us to gain a deeper understanding of the drivers of our carbon footprint.

The GHG Protocol categorises greenhouse gas emissions into three scopes, measured in CO₂ equivalents (CO₂e).¹ Scope 1 covers direct emissions from our operations, like those from building facilities or company vehicles. Scope 2 includes indirect emissions from our energy use, such as purchased electricity or heat. Scope 3 encompasses all other emissions from activities, related to our activities, but not directly controlled by us, such as employee commuting, business travel or purchased goods and services.

¹ The definition of CO₂ equivalents (CO₂e) can be found in the glossary. In this chapter they specifically refer to carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

2023 CORPORATE CARBON FOOTPRINT

As with previous years, in 2023 most of our carbon emissions came from the Scope 3 category which made up 70% of our overall carbon footprint. 42% of these emissions came from business travel, as our employees moved across Europe and throughout Asia to connect with local partners developing and constructing our assets, other employees, clients, suppliers and other stakeholders – an element that cannot be underestimated in our industry. As shown in our global workforce statistics on page 65, our number of employee and offices have grown from 688 employees and 17 offices to 714 employees and 18 offices respectively.

This is not only reflected in our Scope 3 emissions, but also in our Scope 1 emissions, which increased by 16%, due to an increased fleet activity, which resulted in increased fuel consumptions. In 2023, we enhanced our database containing electricity data which led to a 29% reduction in Scope 2 emissions.

As highlighted on the next page, in 2023 we initiated activities to manage the carbon emissions of our commuting activities. As a result, we are very proud to have reduced our commuting CO₂e emissions more than 37%, from 410 tonnes CO₂e to 258 tonnes CO₂e. We acknowledge that this is not enough to manage our corporate carbon footprint. That is why we set a 2030 goal to reduce our business travel emissions, the largest driver of our corporate carbon footprint by 20%, in intensity terms, from 1.72 tonnes CO₂e to 1.37 tonnes CO₂e per employee, based on 2023 data.



SCOPE 1

Covers direct emissions from an organisation's operations, like those from facilities or company vehicles



SCOPE 2

Includes indirect emissions from energy use, such as purchased electricity or heat



SCOPE 3

Encompasses all other emissions related to the organisation's activities but not directly controlled by it, including emissions from the supply chain, business travel, employee commuting, purchased goods and services, and waste disposal

Description	2023 (t CO ₂ e)	Share of total Scope 1-3 emissions	2022 (t CO ₂ e)	% Change to 2022
Refrigerants & others	52	2%	53	
Fleet	179	6%	126	
Natural gas	170	6%	168	
SUM SCOPE 1	401	14%	347	+16%
Electricity: Market-based	324	11%	525	
District heating	163	6%	158	
SUM SCOPE 2	487	17%	683	-29%
Purchased goods & services – Paper and board	7	0%	5	
Purchased goods & services – Water supply	3	0%	4	
Purchased goods & services – IT Equipment	122	4%	359	
Upstream transportation & distribution – Courier services	2	0%	2	
Waste generated in Own Operations	53	2%	47	
Business travel	1,226	42%	1,166	
Employee commuting	258	9%	410	
Well-to-tank emissions ²	198	7%	/	
Fuel- and energy-related emissions not included in Scope 1 or 2 ²	174	6%	/	
SUM SCOPE 3	2,042	70%	1,993	+2%
TOTAL	2,930	100%	3,023	-3%

2. Newly added in 2023.



TACKLING OUR CARBON FOOTPRINT

In 2023 we focused our efforts on reducing the carbon footprint of our employee commuting activities, the second largest driver of 2022 Scope 3 emissions, representing approximately 14% of our total carbon footprint. To reduce the emissions of this activities we launched two complementary challenges in EMEA and APAC:

30 Tonnes challenge

In November and December of 2023, we urged our employees to rethink their commuting choices with a combined goal to cut our carbon emissions by 30 tonnes CO₂e.³ This global two-month campaign included weekly updates – carbon friendly tips, photos and stories from ambassadors who regularly use eco-friendly transport options to highlight the benefits of sustainable travel. Using this campaign, we encouraged employees to leave their cars behind and switch to more sustainable commuting alternatives, such as public transport or cycling. Almost 50 employees participated and changed their commuting behaviour. Each of them avoided almost 60kg of CO₂e emissions. Collectively this campaign avoided almost 3 tonnes CO₂e equivalents which is a satisfactory result considering that 70% of our employees already use sustainable commuting methods.⁴

Transport challenge

Earlier in 2023, we launched a similar challenge in Singapore to demonstrate the impact of eco-friendly commuting choices. A total of 19 employees took part, committing to use sustainable transport methods for two weeks. Five of those employees took it a step further and avoided car travel entirely – weekends included. The challenge encouraged cycling, walking and the use of public transport. This resulted in a combined contribution of 2,000 km of sustainable commuting. Those who were unable to avoid cars contributed a fair financial equivalent to local charity, Daughters of Tomorrow.⁵

AQ GREEN TEC OFFSETTING STRATEGY

In 2023 we measured and offset our total carbon footprint of 2,930 tonnes of CO₂e emissions with the support of our partners at AQ GREEN TeC, by acquiring Gold Standard carbon credits. One project that was certified included a wind farm in the central/western Indian state of Maharashtra with a total capacity of approximately 50 MW consisting of 33 turbines generating clean electricity which is fed into the regional power grid. Since wind power is mostly free of greenhouse gas emissions, the electricity generated avoids the emissions that would otherwise have occurred if the power was generated from traditional sources such as coal, diesel, oil and gas. This specific project provides roughly 220 GWh of clean electricity per year. In addition to its climate change mitigation potential the project also contributes to other UN SDGs such as no poverty (SDG #1) and decent work and economic growth (SDG #8), by creating jobs with the potential to improve the financial situation of the local population, helping to counteract poverty and social inequality.

³ Goal of 33.6 tonnes CO₂e is based on 200 employees commuting for 2 months. Assumptions includes emission factors from the UK Department for Energy Security and Net Zero, Sept 22nd 2023: average commuting distance of 20km/day; 20 working days/mo. CO₂e reduction equals emission factor old (private car with 210g CO₂e/km) – emission factor new (cycling – assuming zero variable emissions) x 20 (working days per month) x 20 (km each working day) x 200 (employees).

⁴ 46 employees switched their commuting behaviour during the 30 tonnes challenge; collectively saving 2,588.85kg CO₂e, while on average each of them saved 56,28 kg CO₂e (savings are based on choice of transport modes in November and December 2023, compared to November and December 2022 and respective emission factors from the UK Department for Energy Security and Net Zero, March 19th 2024, which is self declared via an annual commuting survey).

⁵ The fair equivalent referred to the approximate amount needed to pay for a taxi or petrol when using the own car.

IMPROVING OUR WORKPLACE SUSTAINABILITY

In 2023, the “New Work” concept we introduced in our [2022 Sustainability Report](#), was applied at our headquarters in Hamburg. Some features include the use of pollutant-free materials evidenced by indoor air quality measures and DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen). Additionally, floors were laid as carpet tiles rather than broadloom to support reusability. As of December 2023, all employees in Hamburg now work in approximately 3,000 sqm of office space that align with this concept that includes:

PRINCIPLE OF SUSTAINABLE REFURBISHMENT

When we refurbish existing worksites, we aim to use up to 80% recycled materials for our office furnishings such as desks, chairs, and acoustic panels, which are sourced from ocean plastics where possible. We also endeavour to choose local suppliers for all office needs and choose sustainable options such as using recycled paper and avoiding single-use items like coffee capsules.



BUILDING TO A SUSTAINABLE STANDARD

We make it a priority to select office buildings with international sustainability certifications such as Leadership in Energy and Environmental Design (LEED), Building Research Establishment Environmental Assessment Methodology (BREEAM) or Deutsche Gesellschaft für nachhaltiges Bauen (DGNB) that use green energy, offer electric car charging stations, and are conveniently located to reduce travel needs.

In Singapore we expanded into a new office to support our growing APAC team in the iconic CapitaGreen building, known for its green credentials. This building features energy-efficient designs such as a double skin facade and use of greenery on 55% of the buildings perimeter, to optimise natural light and reduce heat transfer from the exterior to the interior of the building, which is important given the city's tropical climate. It also features a cool void structure that draws in cooler air at 242 metres, further reducing energy needs. The Singapore new office aligns with our commitment to maintain a low environmental impact while also providing a productive and pleasant work environment.



APPENDIX

- Aquila Group KPIs 2021 - 2023
- TCFD
- Glossary of terms
- Image credits

AQUILA GROUP KPIS 2021-2023

KPI	Unit	2021	2022	2023
OUR COMPANY				
Assets under Management (AUM) ¹	bn EUR	12.3	14.7	15.0
Avoided emissions track record	m t CO ₂	7.9	10.1	12.5
Capacity installed or under development	MW/MWp	10,615	13,937	19,783
Track record of capacity installed or under development	MW/MWp	15,524	18,999	25,675
Clean energy produced	TWh	6	7	8.4
Clean energy produced track record	TWh	24	32	40
Households supplied with clean energy	m	1.7	2.0	2.2
ASSET CLASSES				
Wind turbines	number	650	768	776
Solar PV parks	number	204	235	258
Hydropower plants	number	209	276	291
Battery capacity	MWh	75	1,735	4,190
Green Logistics area	m sqm	1.1	1.1	1.3
Direct Forest investments	ha	9,327	13,447	13,447
Energy Efficiency projects	number	11	42	50

KPI	Unit	2021	2022	2023
EMPLOYEES				
Total workforce ²	number	679	688	714
Number of countries	number	15	17	18
Number of nationalities	number	43	56	59
Voluntary turnover rate ³	%	6	10	12
New hires ⁴	number	251	290	173
Temporary contracts ²	%	9	7	3
Employees with part-time employment ²	%	12	10	7
GENDER DIVERSITY				
Women	%	45	42	38
Men	%	55	58	62
Share of women in leadership	%	30	27	29
Share of men in leadership	%	70	73	71
AGE				
Age distribution				
>50	%	12	10	13
40-50	%	28	23	24
30-40	%	40	39	41
<30	%	20	27	22
Average age by gender				
Total	years	39	37	38
Women	years	38	36	37
Men	years	40	38	38

1 Aquila Group AuM includes registered funds, legacy funds, and other financing vehicles (e.g. bonds) as well as applicable asset leverage values. Mandates for which Aquila Capital is an investment manager are also captured.

2 Excludes interns and working students as of 2023.

3 Only permanent contracts; as of 2023 reflecting the voluntary turnover only

4 Only permanent contracts as of 2022; working students and interns excluded as of 2023

SUMMARY OF CLIMATE-RELATED RISK AND OPPORTUNITIES ALIGNED TO THE TASK FORCE ON CLIMATE-RELATED DISCLOSURE (TCFD)

	TCFD RECOMMENDED DISCLOSURES	2023 PROGRESS	
<p>GOVERNANCE</p> <p>The management of climate risk and opportunities is overseen at the highest levels of our company and firmly embedded in our governance structures.</p>	<p>We have structures that ensure climate-related risks and opportunities are integrated into board and management level decision-making and performance evaluations.</p>	<p>Our most senior governing bodies are responsible for all decisions as they pertain to our climate-related risks and opportunities (see page 16).</p>	<p>How we identify climate-related risks and opportunities is outlined in our ESG Integration Policy.</p>
<p>STRATEGY</p> <p>Our sustainability commitment, climate strategy, and business strategy are one and the same. Climate change mitigation and the decarbonisation of the world's economy is at the heart of our business model.</p>	<p>Our mission is focused on the energy transition and decarbonisation of the world's economy. We have set an ambitious goal for avoided emissions to 2035.</p>	<p>In our Sustainability Commitment (see page 10) we set our mission to become one of the world's leading sustainable investment and development companies for essential assets by 2030. We set goals and define our ambitions to put the commitment into action.</p>	<p>Our progress to meet our ambitions is captured in our figures in this report (see page 11).</p>
	<p>We are committed to generating essential assets in a sustainable way and we consider climate-related risks material for our portfolios.</p>	<p>As part of our ESG risk assessment (see page 44), climate risks are assessed as part of the due diligence of each investment and managed across all stages of asset development, construction, and operation.</p>	<p>The identification, analysis, and management of climate risks is incorporated in our ESG Management Framework which is formalised in our ESG Integration Policy.</p>
	<p>We enable investors to mobilise capital towards activities that support the world's achievement of the Paris Agreement and measure the avoided emissions of our investment offering.</p>	<p>Our product offering allows clients to invest across all stages of the development cycle and in all types of decarbonisation strategies.</p>	<p>As set out in our Sustainability Commitment (see page 10), we aim to be the investment manager of choice for institutional clients seeking to invest in sustainable investment strategies. We work with our clients to optimise their allocation to sustainable investments depending on their risk/return profile, liquidity needs, and investment goals.</p>
	<p>Part of how we lead by example is the reduction of our own environmental footprint.</p>	<p>Our goals are outlined in our 2023 update on our Sustainability Commitment (see page 11).</p>	

TCFD DISCLOSURES continued**RISK MANAGEMENT**

We consider climate risk across all phases of asset development, including physical and transition risk, with the former being more relevant yet harder to quantify.

TCFD RECOMMENDED DISCLOSURES

Process for identification, analysis, and management of climate risks.

Integration of climate risk process into overall risk management process.

2023 PROGRESS

The identification, analysis, and management of climate risks is incorporated in our ESG Management Framework which is formalised in our [ESG Integration Policy](#).

The assessment of ESG and climate risks is fully integrated into our risk management framework and processes. As defined in the Aquila Group ESG Integration Policy, the assessment, management, mitigation of ESG, and climate risks is part of the investment and asset management processes.

All key decisions made across our investment process require the evaluation and management of climate risks. See chapter regarding our ESG management framework (see [page 43](#)). Transition risks are less relevant due to the nature of our investments, while the quantification of physical risks is more challenging.

The risk department is responsible for the overall risk management, reviews, and oversight of the investment and asset management processes.

METRICS & TARGETS

We make our measurement and reporting of climate risks and opportunities transparent in our reporting.

Metrics to assess climate risks and opportunities.

Targets for risks and opportunities.

We measure and report avoided emissions or Scope 4 emissions annually and historically at the group, asset, and fund level (see [page 12](#)).

In addition, we report several key performance indicators on an annual and historic basis which measure climate opportunities in other asset classes, including battery energy storage systems, Green Logistics, energy efficiency and carbon forestry.

Aquila Group is committed to avoid 1.5 bn tonnes CO₂e by 2035 over our entire portfolio's lifetime. The target is based on lifetime avoided emissions methodology which measures climate opportunities in a scientifically robust manner.

We have been actively managing our corporate carbon footprint (CCF) since 2006 and are reporting Scope 1, 2 and 3 GHG emissions for current and historic periods. The CCF calculation is conducted by an independent specialised third party according to GHG Protocol standards. The most significant contribution is business travel with 39% of total.

We are also committed to reduce Scope 3 business travel emissions by -20% by 2030 (baseline: 2022). Business travel is the most significant category in our corporate carbon footprint.

GLOSSARY OF TERMS

Actual avoided emissions

Avoided emissions are ex-post observations within a specified reporting period that include the clean energy produced and the grid emission intensity of the specific region in question.

Agrivoltaic systems (APV)

Emerging renewable energy solution that simultaneously addresses societies' need for food and energy by combining land for agriculture with solar PV power generation.

Aquila Group Operations Board (AGO)

The AGO is important for steering and resourcing the implementation of our sustainability commitment. Business unit heads, functional group heads, and operational heads are members of the AGO which is chaired by our Chief Operations Officer. The AGO is updated regularly about progress on all key sustainability projects and programmes. It also shares governance responsibilities with the AGS.

Aquila Group Strategy Board (AGS)

The AGS has the power to create and set group-wide strategies. Members include the company's co-founders, business unit heads and key functional group heads. Early 2023 the AGS approved the sustainability commitment of Aquila Group. It includes our mission to become one of the world's leading sustainable investment and development companies for essential assets by 2030.

Avoided emissions

See Scope 4 emissions.

Building Research Establishment Environmental Assessment Methodology (BREEAM)

Is an international assessment system for ecological and socio-cultural aspects of building sustainability.

Capacity

Refers to the maximum amount of electricity or energy that an energy generation facility can produce under optimal conditions.

Carbon footprint

Measure of the total amount of greenhouse gases that are emitted directly or indirectly by an individual, organisation, event, or product during a specific period. Typically expressed in CO₂ equivalents covering Scope 1, 2 and 3 emissions.

Carbon intensity

Amount of CO₂ or GHG emissions produced per unit of output or investment. This metric is often used to compare companies' carbon footprints and is commonly expressed in terms of CO₂ or CO₂ equivalents relative to revenue.

Climate neutral data centre pact

This pact, endorsed by over 100 data centre operators and trade associations is a collective pledge for climate neutrality by 2030, aligning with the broader goals of the European Green Deal.

Corporate Sustainability Reporting Directive (CSRD)

This is a new directive defining the sustainability reporting obligations for organisations such as Aquila Group. The directive replaces the Non-Financial Reporting Directive (NFRD) from 2024 onwards.

CO₂ equivalent (CO₂e) emissions

Are the expression of GHG emissions in carbon dioxide terms. CO₂e emissions represent the unit of measurement of all GHG gases released into the atmosphere relative to the heat warming effect of carbon dioxide for a defined time horizon, most commonly 100 years.

Electricity mix approach

A way to measure the emissions intensity of electricity generation by taking the weighted average across all generation sources of electricity production.

Embodied emissions

Emissions incurred to produce, use, and decommission an asset during its entire life cycle. Embodied emissions are deducted from actual and projected avoided emissions to provide a holistic picture of an asset's emissions profile.

Energy System Model (ESM)

Simulating various components and processes within an energy system. They are used to analyse, predict, and optimise the generation, distribution, and consumption of energy resources in a specific region, industry, or system.

Environmental Product Clarification (EPD)

Environmental Product Declarations are a standardised way of quantifying the environmental impact of a product or service throughout its lifecycle. EPD's provide transparent and comparable information about the environmental performance of products, helping consumers, businesses, and policymakers make more informed decisions. They typically include information about a product's carbon footprint, energy use, water consumption, and other relevant environmental impacts.

GLOSSARY OF TERMS continued**Essential assets**

Essential assets include anything related to expanding or renovating the world's low-carbon infrastructure. This includes clean energy sources like wind, solar PV, hydropower and battery storage; sustainable infrastructure (Green Logistics and data centres); and specialty asset classes such as carbon forestry, energy efficiency, and growth private equity in climate change mitigation.

EU Taxonomy

Is a classification system developed by the EU to define what economic activities can be considered environmentally sustainable. It aims to provide a common framework for identifying and classifying economic activities that contribute to the EU's environmental objectives, particularly those related to climate change mitigation and adaptation.

European Long-Term Investment Funds (ELTIFs)

An innovative investment vehicle created by the European Union to foster long-term investments in the real economy, particularly in infrastructure.

Eutrophication of water

Refers to the process where water becomes overfertilised with nutrients, leading to excessive growth of algae and other aquatic plants. This can degrade water quality and reduce oxygen levels, often exacerbated by human activities such as agriculture, wastewater disposal, and industrial runoff.

Forestry Stewardship Council (FSC)

The Forest Stewardship Council (FSC) is an international non-governmental organisation dedicated to promoting the responsible management of the world's forests. Since its inception in 1994, FSC has become the world's most respected and widely used forest certification system. This is a global authority in sustainable forest management.

Generation

Refers to the actual amount of electricity or energy generated by energy generation facility in a specified period of time.

GHG emissions

Greenhouse gas emissions are gases released into the atmosphere that have the potential to trap heat and contribute to the greenhouse effect

(i.e. increasing the average temperature of the earth) including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and other gases. GHG emissions can be shortened to 'emissions' for brevity and references to avoided emissions are synonymous with statements about GHG emission avoidance.

Global Infrastructure Investor Association (GIIA)

GIIA is the membership association for the world's leading infrastructure investors and advisors, collectively representing \$1.65 trillion of infrastructure assets under management in 70 countries.

GRESB Sector Leader

The Global Real Estate Benchmark (GRESB) Sector Leaders are the best performers by sector, region and nature of ownership categories with the top GRESB Score and those with a score within one point of the top score for each category. For more information, please refer to the [official communication](#).

Gross avoided emissions

Avoided emissions based on positive effects only, without accounting for embodied emissions.

Growth private equity strategy

Our growth private equity strategy focuses on investing in companies that target specific markets using proven technologies and successful business models. This strategy adheres to SFDR Art. 9 standards and is supported by a seasoned investment team, leveraging Aquila Group's robust platform for developing, constructing, and operating decarbonisation assets.

Households supplied

The calculation of the average European household consumption is based on 2018 Eurostat data. The average EU-27 household electricity consumption per person (in MWh/capita) is multiplied by the average EU-27 household size resulting in the average consumption of electricity of the average household size (in MWh/household). The electricity generated by the assets is divided by the EU-27 average consumption of electricity and household size (in MWh/household) resulting in the final value.

IEA scenarios

The IEA regularly publishes its World Energy Outlook (WEO), which is an annually updated database containing information on the projected future of energy system, including the composition of electricity generation sources at a regional level. The IEA's analysis employs three main scenarios

as part of its WEO, which are abbreviated to 'IEA scenarios'. The WEO is arguably the most internationally recognised and established publication worldwide on global energy issues, and that is widely used by policymakers, businesses, NGOs, and other stakeholders.

IMAGE model

The IMAGE model was developed by the PBL, Netherlands Environmental Assessment Agency. It is an application of an Integrated Assessment Model and its scenarios were used in the IPCC's Assessment Reports AR4 and AR5.

Integrated Assessment Model (IAM)

Comprehensive and interdisciplinary scientific modelling approach linking main features of society and the economy with the biosphere and atmosphere into one framework. One of the more commonly known IAMs is employed by the IPCC to examine global transformation pathways through to 2050 or 2100.

International Energy Agency (IEA)

The IEA is an autonomous international organisation that was established in 1974 to ensure the security of oil supplies. Its mandate has evolved from predominantly promoting energy security among its member countries to also foster international collaboration on other energy-related issues such as the energy transition.

GLOSSARY OF TERMS continued**International Organization for Standardization (ISO)**

ISO 1400: Provides a framework for organisations to design and implement an environmental management system, and continually improve their environmental performance.

ISO 14064: Specifies principles and requirements and provides guidance for verifying and validating greenhouse gas (GHG) statements. It is applicable to organisation, project and product GHG statements.

ISO 20400: Provides guidance to organisations, independent of their activity or size, on integrating sustainability within procurement practices.

ISO 50001: Specifies requirements for establishing, implementing, maintaining and improving an energy management system. The intended outcome is to enable an organisation to follow a systematic approach in achieving continual improvement of energy performance and the energy management system.

Laavu

A Finnish laavu (plural laavut), is a traditional lean-to shelter, a small structure intended for temporary residence during hiking or fishing trips in the wilderness.

Law of diminishing returns

Basic economic principle stating that the marginal output starts to diminish at some point for an additional unit of input.

Leadership in Energy and Environmental Design (LEED)

A global classification system for ecological construction. LEED is available for different types of buildings and assesses them according to various criteria, such as energy efficiency and indoor air quality.

Life cycle assessment (LCA)

A comprehensive environmental impact analysis covering GHG emissions, human toxicity, eutrophication of water, and other factors for a specific product or asset. LCAs cover the entire life cycle, including raw materials sourcing, manufacturing, use phase, installation, operation, maintenance, and decommissioning. Not to be confused with 'lifetime' which specifies an asset's operational phase.

Lifetime Avoided Emissions (LAE)

The sum of all avoided emissions over the course of the lifetime of a given asset or portfolio of assets, typically including both actual and projected avoided emissions. Embodied emissions that were incurred to produce, use, and operate an asset are subtracted.

Net avoided emissions

Net avoided emissions are calculated by subtracting embodied emissions from gross avoided emissions.

Net-zero emissions

Net-zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specific period. There are several associations who have committed to reduce emissions to net zero in their individual sectors. In the financial industry, the most important initiatives are the Glasgow Financial Alliance for Net Zero, Net-Zero Banking Alliance, Net Zero Asset Owner Alliance, and Net Zero Asset Managers Initiative. Members of these initiatives are subject to science-based emission reduction pathways, rules and methodologies. This typically includes a restriction of carbon offsets and avoided emissions, which do not count towards science-based targets.

Power purchase agreement (PPA)

A power purchase agreement (PPA) refers to a long-term electricity supply agreement between a power producer and an electricity consumer. It defines the conditions of the agreement, such as the amount of electricity to be supplied, negotiated price and penalties for non-compliance. PPAs can be used to reduce market price risks, which is why they are frequently implemented by large electricity consumers.

Power Usage Effectiveness (PUE)

PUE is a metric used in the data centre industry to measure the efficiency of energy usage. It is calculated by dividing the total energy consumed by the data centre by the energy consumed by the IT equipment alone. A lower PUE indicates higher energy efficiency, with 1.0 being the ideal score where all energy consumed is used exclusively by IT equipment.

Principal adverse impact

Principal adverse impacts in the context of the SFDR relate to negative impacts on sustainability factors, regarding environmental, social and governance aspects, and are measured using standardised metrics, such as Scope 1 to Scope 3 emissions or gender diversity in management.

Principles of Responsible Investment (PRI)

PRI is an international network of financial institutions working together to implement its six aspirational principles, with the goal to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decision-making. It is generally used to compare asset managers respectively.

Projected avoided emissions

An estimation of future avoided emissions based on forecasts of clean energy production and grid emissions intensity. The projection of regional grid compositions is based on scenario analysis and provides a range of possible results to avoid any pretence of being exact. Over the course of an asset's lifetime, projected avoided emissions are successively replaced by actual avoided emissions.

REMIND model

The REMIND model was developed by the Potsdam Institute for Climate Impact Research. Similar to the IMAGE model, they are an application of an Integrated Assessment Model and its scenarios are used by the IPCC.

GLOSSARY OF TERMS continued**Sustainability Accountings Standards Board (SASB)**

SASB Standards help companies disclose relevant sustainability information to their investors. Available for 77 industries, the SASB Standards identify the sustainability-related risks and opportunities most likely to affect an entity's cash flows, access to finance and cost of capital over the short, medium or long term.

Scope 1 emissions

Direct emissions from owned or controlled sources.

Scope 2 emissions

Direct emissions caused by the generation of purchased energy.

Scope 3 emissions

Indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Scope 4 emissions

Emissions that are not released into the atmosphere because of an action or policy.

SolarPower Europe (SPE)

SolarPower Europe is the award-winning link between policymakers and the solar PV value chain, with a mission to ensure that solar becomes Europe's leading energy source by 2030. Working with its members, it aims to shape the regulatory and business environment for the growth of the solar PV industry.

Solar Stewardship initiative (SSI)

The SSI aims to enhance transparency across the solar supply chain, establishing standards and reliable information sources to assess ESG performance within the industry.

Sustainable Development Goal (SDG)

The 17 Sustainable Development Goals (SDGs), based on the 2030 Agenda for Sustainable Development adopted by all United Nations member states in 2015, are an urgent call to action for all countries. They recognise that ending poverty and other deprivations must go hand in hand with strategies to improve health and education, reduce inequality and boost economic growth – all while tackling climate change and protecting our oceans and forests.

Sustainable Financial Disclosure Regulation (SFDR)

The SFDR classifies financial products into three categories based on their sustainability characteristics and as defined in the respective articles within the regulation:

Article 6: Products that do not promote environmental or social characteristics.

Article 8: Products that promote environmental or social characteristics.

Article 9: Products that have a sustainable investment objective.

Sustainability Plan for Project Delivery (SPPD)

The SPPD framework outlines the sustainability requirements for projects, beginning with the initial development phase and continuing throughout the whole lifecycle of a project. It emphasises the importance of managing sustainability risks and opportunities at project level and provides processes and tools to address local stakeholder needs and environmental issues.

Task Force on Climate-Related Financial Disclosures (TCFD)

The Financial Stability Board (FSB) established the TCFD to develop recommendations on the types of information that companies should disclose to help investors, lenders and insurers appropriately assess and price a specific set of risks – risks related to climate change.

Transmission and distribution (T&D) losses

A certain amount of electricity is lost when transmitted and distributed from one location to another depending on the distance of those locations and other factors.

United Nations Global Compact

Based on the ten universal principles and the 17 SDGs, the UN Global Compact pursues the vision of an inclusive and sustainable global economy. More than 24,300 companies and organisations are already signatories of the UN Global Compact and contribute to the global vision. The UN Global Compact offers all participants extensive support services with leading experts on key sustainability topics as well as high-profile international events.

United Women Singapore (UWS)

Is a non-profit organisation dedicated to promoting women's empowerment and gender equality. They focus on closing the gender gap through education, awareness-raising, and advocacy on anti-violence and women's empowerment issues, collaborating with partners from both public and private sectors.

Uptime

The amount of time that a data centre's IT infrastructure is operational and available to users.

IMAGE CREDITS

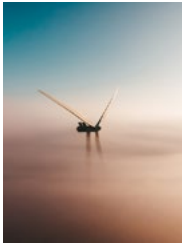


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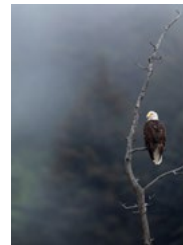


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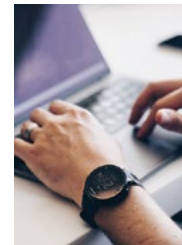


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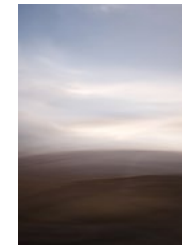


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FOR MORE INFORMATION PLEASE CONTACT:

Aquila Capital Holding GmbH

Valentinskamp 70,
20355 Hamburg, Germany

P + 49 40 87 50 50-100
info@aquila-capital.com

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