

Aquila Capital's Sustainability Commitment

Aquila Capital is an asset manager specialising in essential asset investments.¹

Since 2007, we provide compelling investment opportunities focused on driving the energy transition and the build-out of infrastructure. Our goal is to deliver resilient returns while supporting clean energy initiatives and contributing to the decarbonisation of the global economy.

Aquila Capital provides tailored solutions designed to meet the needs of both institutional and retail clients. As a one-stop-shop for equity and private debt investments, we are dedicated to making essential asset investments accessible and straightforward. We are licensed as an Alternative Investment Fund Manager (AIFM).

Aquila Capital's mission is to become one of Europe's leading investment managers for sustainable investment strategies by 2030.

In pursuit of this mission, we are committed to expanding our business, financing the energy transition and contributing to the decarbonisation of the global economy. Our ambitious goal is to triple our assets under management in the next five years, leveraging our ever-growing network of trusted clients and partners.

To achieve this goal 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 various types of sustainable investment strategies.

We believe that decarbonisation is crucial to our effort to protect the planet from climate change and represents an ongoing investment trend with tailwinds that will last throughout the decades.

Keeping score of our progress on climate change mitigation, we use [lifetime avoided emissions](#) (LAE) to measure the climate impact of our investments while enabling our clients to quantify their decarbonisation efforts. With LAE, we can promote industries and companies focused on the creation of emission-avoiding technologies to help mobilise more capital for the decarbonisation of our economy. In the spirit of 'what gets measured gets managed', avoided emission measurement provides additional data to consider while making investment decisions.

¹ essential assets are anything related to expanding or renovating the world's low carbon infrastructure, including clean energy, logistics, data centres, and specialty decarbonisation assets.

Key Principles

We implement our mission across three key principles that pertain to creating sustainable investment solutions, how we manage essential assets and lead by example:

- 1. Expanding access to sustainable investments for our clients while enhancing performance**
- 2. Managing real assets in a responsible way**
- 3. Lead by example in managing our environmental footprint and supporting our talents to thrive and grow.**

Furthermore, we are dedicated to maintaining a high standard of governance in our business operations, including transparent and ethical relationships with our business partners. We have zero tolerance for any breach of our Code of Conduct for business partners and Code of Ethics for employees which give guidance on our stance towards human rights, labor practices, and other relevant national and international regulations. This means we are committed to investigating every deviation and taking the necessary corrective action to uphold our reputation as a responsible and ethical working organisation.

Our Story

Aquila Capital started to specialise in decarbonisation assets as soon as 2007 with the launch of two funds – climate protection and forestry management. We actively manage our corporate carbon footprint since the early beginnings and have accumulated a comprehensive track record in sustainable investing over the years.

Given these origins, sustainability has long been part of Aquila Capital's value system and we believe that it is critical to manage ESG factors through the entire value chain and lifecycle. In this vein, we continuously seek to enhance our sustainability standards. We joined UNEP FI in 2008 and UN PRI in 2018.² In 2016 we started to benchmark our infrastructure assets on their ESG performance with GRESB ratings and increased the number of participating assets and funds steadily thereafter.

In 2022 to measure our commitment to sustainability and the fight against climate change we introduced our measurement approach to quantify the climate impact of clean energy assets; lifetime avoided emissions (LAE). In 2023 we updated and [published](#) our methodology. In doing this we are educating ourselves and our investors on an important factor within the energy transition not yet mainstream – Scope 4 measurement. In 2024 we became UN Global Compact participant to reinforce our principles for human rights and good business practices. That same year, Aquila Group closed a strategic partnership with Commerzbank to position Aquila Capital as one of Europe's leading asset managers for sustainable investment strategies. It marks a key milestone in the history of the company, establishing Aquila Capital more firmly as a stand-alone entity.

Scope

² In 2021 UNEP FI decided to focus on 'banking activities' only (i.e. loans, mortgages) and reassigned its investment activities to its sister UN organisation – PRI.

This document defines the principles, governance, and controls for implementing this commitment. It applies to Aquila Capital Investmentgesellschaft mbH ('Aquila Capital'), building on and replacing the [Sustainability Commitment by the Aquila Group](#). It outlines how Aquila Capital is driving the world's energy transition by investing in activities that decarbonise large parts of the world economy to fight climate change.

Principles in detail

1. Expanding access to sustainable investments while enhancing performance

We continuously enhance our product suite according to how the market for decarbonisation assets unfolds, allowing clients to invest across all stages of the development cycle and into various types of decarbonisation strategies. We work with our clients to optimise their allocation to sustainable investments depending on their risk/return profile, liquidity needs, and investment goals. This principle is built around thought leadership, talent and innovation. We actively engage with our institutional clients gathering feedback on our decarbonisation solutions and explore new opportunities. Our goal is to ultimately be the first choice of asset owners seeking to make a significant contribution to carbon mitigation and those who desire to support increased energy security.

2. Managing real assets in a responsible way

By investing in and managing real assets, we actively shape the infrastructure that supports our future. We value not only what we build, but also how we go about building it. Developing infrastructure projects requires a commitment to responsible practices at every stage. Guided by a systematic ESG management framework, we engage early in the value chain, aiming to oversee and influence as much of the upstream activities involved in the development, construction, and operation of essential assets as possible. 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 where feasible. Through our comprehensive asset sourcing approach – blending exclusive development projects from the Aquila Group with external project opportunities – we are positioned to take ownership of our supply chains and counterparties, and to support the communities we operate in. Our ESG integration capabilities are built with clear governance structures and responsibilities along the investment process. We take a double materiality perspective in all our ESG activities and 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.

3. Lead by example in managing our environmental footprint and supporting our talents to thrive and grow

Our last principle is focused on how we live our sustainability efforts in the areas under our direct influence. We aim to be a company that is able to demonstrate that we are walking the talk in the management of our own business and work force. Whether it be through the reduction of the environmental footprint of our own operations or in the support we provide to our employees to thrive and grow – we believe it is important to run our organisation in a sustainable way. We demonstrate this by setting goals to minimise the environmental impact of our operations – for example in the use of renewable energy and increases in energy efficiency – and defining actions to ensure that we have a healthy and engaged workforce. For the latter,

we plan to increase the diverse perspectives, backgrounds, and skillsets of our employee base to enhance our innovation, productivity, and decision making. We do this on the back of our strong corporate culture for diversity and inclusion, and commitment to grow diversity leadership over the long term. Foundational activities include diversity and inclusion measurement, and the creation of dedicated recruiting and training programs. We also plan to continue to create and implement initiatives that engage our workforce and drive increased employee satisfaction.

Responsibilities and structure

At Aquila Capital the decisions about our sustainability commitment and ESG work are crucial. Therefore, they are made at the top of our organisation's governing bodies:

Aquila Capital Supervisory Board. 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 activities. All key sustainability decisions and developments are brought to the Supervisory Board's attention.

Aquila Capital Board of Directors ('BoD') 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 sustainability commitment implementation as well as sustainability regulation and reporting requirements.

Sustainability Office leads the way in putting our sustainability commitment into practice, working with senior leadership from all governing bodies to embed sustainability across Aquila Capital. Defining and advancing the sustainability commitment, monitoring progress, ensuring transparency, and supporting client discussions are focus areas. It also develops ESG-related methodologies, tools and processes and leads the implementation of sustainability-related regulations.

Reporting, governance and controls

Aquila Capital's sustainability commitment is implemented using the governing bodies and structures mentioned herein. Specifically, the Aquila Capital Board of Directors and its Supervisory Board have approved and acknowledged this commitment. The introduction, measurement and monitoring of the goals that show progress towards the principles and ambition statements are led by the Sustainability Office. They are communicated annually in the Sustainability Report and monitored by Corporate Risk Management.

The implementation of the commitment and its underlying principles, as laid out in this document, is a process of continual improvement.

Standard information and definitions

Avoided emissions and lifetime avoided emissions (LAE) - Avoided emissions are those not released into the atmosphere because of an action or policy such as use of renewable energy sources and energy efficiency measures. LAE uses the same concept but covers the entire lifetime of a given product, technology or project. Given the increased popularity and scrutiny of greenhouse gas emissions avoidance claims as well as the lack of standardisation and peer-reviewed methodology, it is crucial that CO₂e avoidance and LAE methodologies follow a robust, conservative, and science-based approach. See [Lifetime Avoided Emissions](#) for all information.

Decarbonisation - Is the reduction or elimination of greenhouse gas emissions from a process such as manufacturing, construction or the production of renewable energy.

Holding Company - The term Holding is synonymous with the word Group and refers to a diversified structure where the Holding (or Group) is an umbrella company that contains individual business units and supports these business units through the provision of shared expertise and services (i.e., Operations, Compliance, Finance).

Essential assets - We define essential assets as 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), logistics and data centres, and new asset classes such as forestry, energy efficiency and growth equity in climate change mitigation.

Disclaimer

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