

Aquila Group's Sustainability Commitment¹

Aquila Group generates and manages essential investments. It is a holding company that creates investment ideas and provides a platform to transform these ideas into solid businesses.² Thus, Aquila Group is an investment and development enabler of essential assets with execution capabilities in its independently operating business units. Thereby, Aquila Group enables the global energy transition and the decarbonisation of the world's economy.

Aquila Group's mission is to become one of the world's leading sustainable investment and development companies for essential assets by 2030. 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 annual CO₂e 2021 worldwide emissions. We plan to achieve this goal by initiating, developing, and managing essential assets along their entire value chain and through their full lifecycle.

Essential assets are anything related to expanding or renovating the world's low carbon infrastructure.³ We believe that decarbonisation is crucial to our effort to protect the planet from climate change and represents an ongoing trend with tailwinds that will last throughout the decades.⁴ And we focus on this trend by generating (developing, building, operating) and managing (investing) essential assets.

Key Principles

We implement our mission across four areas that pertain to how we generate essential assets, manage client investments, support our communities and lead by example. 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 a company that 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.

We are dedicated to maintaining high standards of governance in our business operations including through the creation of transparent and ethical relationships with our business partners.

Scope

This document defines the principles, governance, and controls for implementing this commitment. It outlines how Aquila Group is driving the world's energy transition and acting as an enabler of Net Zero by supporting activities that decarbonise large parts of the world economy to fight climate change.⁵ This includes how we plan to support a just transition by supporting our communities and leading by example in how we manage our own operations. Our activities to generate (develop, build, operate) and manage (invest) essential assets are focused on adherence to this commitment.

¹ As of Q1 2024 and including strategic partnership with Commerzbank.

² See standard information for definition of holding company in section 6.

³ See standard information for extended definition of essential assets in section 6.

⁴ See standard information for definition of decarbonisation in section 6.

⁵ See standard information for definition of Net Zero in section 6.

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1.0 Our Story

Established in 2001, Aquila Group was founded by Roman Rosslenbroich and Dieter Rentsch, who were convinced that global macro trends offer the best opportunities for long-term investment strategies. When sculpting their investment ideas, they focused on trends that had the potential to transform whole ecosystems, such as the need to address climate change, growing need for housing and transport, as well as an ever-increasing demand for electricity due to digitisation in the age of big data.

After positioning Aquila Group as a pure financial investor in the early days, the foundation for the development of real assets was laid in 2007. Right from the start Roman and Dieter were convinced that investing in real assets can only be done successfully with substantial parts of the value chain under our control. Aquila Group started to specialise in carbon mitigation in 2007 with the launch of two funds – climate protection and forestry management – and through our founders' decision in 2006 to manage and offset the carbon footprint of our operations.

Another important milestone was the decision in 2013 to license as an alternative investment fund manager in Luxembourg and Germany which enabled new possibilities regarding fund structuring and distribution. To meet the steadily growing demand for capital and to accelerate Aquila Group's expansion into Asia-Pacific a strategic partnership with one of Japan's largest investment banks, DAIWA Energy & Infrastructure, was established in 2019. This was followed with the set up of a local team in Singapore the following year to further underscore the importance of the Asia-Pacific market.

At the end of 2023, Aquila Group entered a strategic partnership with Commerzbank to establish Aquila Capital as one of Europe's leading asset managers for sustainable investment strategies. By the end of the year, we registered 15 bn euros of assets under management and 19.8 GW capacity in wind energy, solar photovoltaic (solar PV), hydropower and battery energy storage systems (BESS) was installed or under development with a cumulative potential to avoid up to 130 m tonnes CO₂e over its lifetime.⁶ 1.3 m sqm of Green Logistics projects were completed or under development with clients also invested in energy efficiency, carbon forestry and data centres. With more to come.

Given these origins, sustainability has long been part of our value system and we believe that it is critical to manage ESG factors through an assets 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 2018.⁷ In 2016 we started to benchmark our infrastructure assets on their ESG performance ([GRESB ratings](#)) with the number of participating assets and funds increasing steadily thereafter and in 2023 we decided to join the UN Global Compact to reinforce our principles for human rights and good business practices.

In 2022 to measure our commitment to sustainability and the fight against climate change we introduced an ambitious group-wide goal – to avoid 1.5 bn tonnes of CO₂e over the lifetime of our assets by 2035. This came on the back of our efforts to create a science-based methodology for lifetime avoided emissions (LAE). In 2023 we finalised our LAE measurement methodology and disclosed our progress towards our goal for the first time. In doing this we are educating ourselves and our investors on an important factor within the energy transition not yet mainstream – Scope 4 measurement.

With over 700 employees from 59 nations operating across 18 countries worldwide, we are an attractive employer for talents who are driven by an entrepreneurial spirit, have an innovative and hands-on approach, and like to work in an agile and diverse atmosphere.

⁶ 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. All figures from Aquila Group Sustainability Report 2023. For potential lifetime avoided emission see Wiebeck, A., Arndt, B., 2023: "Lifetime avoided emissions." and Aquila Group Sustainability Report 2023.

⁷ In 2021 UNEP FI decided to focus on 'banking activities' only (i.e. loans, mortgages) and reassigned its investment activities to its sister UN organization – PRI.

2.0 Our Commitment

Aquila Group's mission is to become one of the world's leading sustainable investment and development companies for essential assets by 2030⁸. We believe this is a trend with tailwinds that will last throughout the decades. 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 equity in climate change mitigation, is crucial to the world's transition to Net Zero.

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 2021 CO₂e worldwide emissions⁹. 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.

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.**

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. We are dedicated to maintaining a high standard of governance in our business operations, including through the creation of 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 organization.

Inherent in our company mission is our focus on 'climate action' (SDG 13) and commitment to mobilise capital to all related Sustainable Development Goals (SDGs) such as 'affordable and clean energy' (SDG 7), 'industry, innovation and 'infrastructure ' (SDG 9), and 'sustainable cities and communities' (SDG 11). We support these SDGs through the achievement of our commitment.

Aquila Group's mission and ambitions are synonymous with our business strategy. The Sustainability Office focuses our firm on this direction. It supports our senior leadership team to embed sustainability further into our business practices by making the mission and ambitions part of our performance management processes and part of every client conversation. In addition, we are transparent about our targets and progress wherever possible to demonstrate our commitment.

3.0 Principles

The following **principles outline how Aquila Group plans to implement** our mission to become one of the world's leading sustainable investment and development companies for essential assets by 2030.

Our power, to drive a positive change for the environment and society, **can be broken down into four areas that pertain to how we generate essential assets, manage client investments, and support our communities and lead by example.**

⁸ See standard information for definition of essential assets in section 6.

⁹ Worldwide CO₂e emissions in 2021 were [36.7 billion tonnes](#) according to the International Energy Association (IEA)

3.1 Generate essential assets

As stated in our commitment, by 2030 we aim to be a leading player in generating essential assets in a sustainable way. Our founders decided 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 assets as possible. This provides us with opportunities to ensure that these ecosystems are designed and managed for the long-term prosperity of all our stakeholders.

To develop, build, and operate assets in a sustainable way we use a robust approach to identify, avoid, and mitigate ESG factors throughout the entire value chain and lifetime, including during operations and in decommissioning. This includes using contracts and monitoring tools and processes to ensure that our standards as they pertain to human rights, labor practices, environmental practices and all other national and international regulations are understood and adhered to by our counterparties.

The goal of our ESG approach is to maximise the positive and minimise the negative impacts of our activities on the environment and society at the project and portfolio level. This does not however guarantee zero negative impacts. Admittedly, our activities can, at times, have adverse effects on the environment and society. It means that we have the means and expertise to assess our business impacts, create mitigation plans to manage potential negative effects to the maximum extent possible and use every effort to boost the positive outcomes for all our stakeholders. We are committed to continuously revising the effectiveness and scope of our ESG management processes, including the evaluation of ESG factor materiality as it pertains to essential asset generation.

3.2 Manage sustainable investments

Our second ambition is to be one of Europe's leading asset managers for sustainable investment strategies by 2030.¹⁰ This means that our product offering allows clients to invest across all stages of the development cycle and into all types of decarbonisation strategies. It also requires that we work with our clients to optimise their allocation to sustainable investments depending on their risk/return profile, liquidity needs, and investment goals.

We use thought leadership and innovation, a robust ESG management process, and climate mitigation measurement as well as GRESB ratings to continuously improve our investment offering. We also actively engage with our institutional clients and their investment counsellors to gather feedback about our decarbonisation solutions. Our goal is to be top of mind, and ultimately the first choice of asset owners seeking to make a significant contribution to worldwide carbon avoidance, reduction, and/or removal – all crucial for the path to Net Zero – and/or those who desire to support increased global energy security.

3.3 Support our communities

By 2030, we also 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 in the communities where we have offices and societies in need beyond our local presence. To engage local communities during the development of our clean energy projects we created a framework – the Sustainability Plan for Project Delivery (SPPD) – in Southern Europe, which we plan to advance and expand to other regions and asset classes as appropriate.

We also aim to become more effective in the positive impact we create through our corporate donations and employee volunteering efforts. By leveraging our charities, we provide funding, skills, and employee resources to topics that align to our sustainability commitment and values. This includes a structured engagement plan to frame the best way for employees to provide their time, skills, and resources to environmental and social topics important to us.

¹⁰ See standard information for definition of Sustainable Investments in section 6.

Our support for communities is a foundational element of our sustainability commitment and greatly influences our culture. It is something we celebrate regularly.

3.4 Lead by example

Our last ambition is focused on how we live our sustainability efforts in the areas under our direct influence. By 2030 we aim to be a company that is able 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 environment 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 programmes. We also plan to continue to create and implement programmes that engage our workforce and drive increased employee satisfaction.

The essence of the behaviours that support our ambition to ‘lead by example’ are captured in our values and code of ethics which together form the documented view of Aquila Group’s culture.

4.0 Responsibilities and structure

Our structure and the regulatory landscape require governance across two dimensions, informing how we implement our sustainability commitment. The first dimension is comprised of our organizational structure:

Aquila Group is an 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. Senior management and corporate functions that define and align business entities to group strategy are assigned to holding company **Aquila Capital Holding GmbH**.

Aquila Clean Energy EME (‘ACE EMEA’) is focused on advancing the energy transition by developing, managing, and owning clean energy assets in Europe. ACE 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 (‘ACE APAC’) focuses on clean energy in Asia Pacific. With offices in Singapore, Australia, Taiwan, Japan, South Korea and New Zealand, ACE APAC has a strong local presence in the region and focuses on solar PV, onshore wind, and battery storage technologies.

Aquila Sustainable Infrastructure includes 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 to clients who seek the transportation, sorting and movement of physical goods in a low carbon and sustainable way.

Aquila Capital Investmentgesellschaft mbH (‘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, this business also manages and advises funds and other investment vehicles in Luxembourg, the Netherlands, the United Kingdom and Switzerland.

At Aquila Group the decisions about our sustainability commitment and ESG work are crucial. Therefore, they are made at the top of our organisational structure which provides the second dimension – the key governing bodies:

Aquila Group Strategy Board (AGS) has the power to create and set group-wide strategy. Members include the company's co-founders, business unit heads and key functional group heads. Early in 2023 the AGS approved the sustainability commitment of Aquila Group – proposed by the **Chief Sustainability Officer (CSO)**. It reviews progress annually as part of its responsibility for sustainability governance.

Aquila Group Operations Board (AGO) is important body 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 quarterly about progress on all key sustainability projects and programmes. It also shares governance responsibilities with the AGS.

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. 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 key sustainability decisions are brought to the Supervisory Board for approval. Early in 2023 the Supervisory Board approved the sustainability commitment.

Aquila Capital Board of Directors (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 sustainability commitment implementation as well as sustainability regulation and reporting requirements. Aquila Capital BoD approved the sustainability commitment of Aquila Group early 2023.

In addition, 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:

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

Extended Sustainability Office includes the Sustainability Office and sustainability managers from the business responsible for the management of ESG impacts in essential asset development, construction and operation. Together this team aligns top-down and bottom-up processes to manage ESG risks across the value chain and creates plans to resolve methodological, structural and/or resource challenges.

Sustainability Forum is 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 are required.

5.0 Reporting and controls

Aquila Group's sustainability commitment is implemented using the governing bodies and structures mentioned herein. Moreover, the measurement and monitoring of the goals that show progress towards the ambitions are led by the sustainability office and communicated annually in a sustainability report. The implementation of the commitment and its underlying principles, as laid out in this document, is a process of continual improvement.

6.0 Standard information and definitions

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), sustainable infrastructure (green logistics and green data centres) and new asset classes such as carbon forestry, energy efficiency and growth equity in climate change mitigation.

Net Zero - Through the 2015 Paris Agreement, world governments committed to curbing global temperature rise to well-below 2 °C above pre-industrial levels and pursuing efforts to limit warming to 1.5 °C. Climate scientists have predicted that this will require that the world reach net-zero by 2050. Net Zero means to completely negate the amount of greenhouse gases produced by human activity and released into the atmosphere. Net Zero can be achieved by reducing emissions (i.e. via energy transition) and implementing methods of absorbing carbon dioxide from the atmosphere (for hard to abate emission areas).

Decarbonisation – Is the reduction or elimination of carbon dioxide emissions from a process such as manufacturing, construction or the production of renewable energy.

Sustainable Investments – In the context of this commitment, sustainable investments refer to investments that have a clear environmental and/or social objective and also ensure that they do not significantly harm other environmental or social objective as defined in EU regulation.

The Sustainable Development Goals (SDGs) – In September 2015, with the support of 193 nations, the United Nations launched the 2030 Agenda for sustainable development to end poverty, combat climate change and fight injustice. 17 Sustainable Development Goals went into effect in January 2016 to help the world to create goals, track progress and ultimately achieve this ambitious agenda.

CO₂ equivalent (CO₂e) avoidance 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 [Aquila Group Sustainability Report](#) and [Lifetime Avoided Emissions](#) for all information.

Disclaimer

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