



THE SUN GOES UP

Sustainability at Encavis 2021

Key figures

144

EMPLOYEES
(2020:134)

4.42

TWH ELECTRICITY
PRODUCTION
(2020: 3.43 TWH)

1.32

MIO T OF CARBON
SAVED P.A.
(AS OF MARCH 2022)

~ 3.2

GW ELECTRICITY
GENERATION CAPACITY
(AS OF MARCH 2022)

206

SOLAR PARKS

96

WIND PARKS

332.70

€ MIO REVENUE
(2020: € 292.30 MIO)

3.22

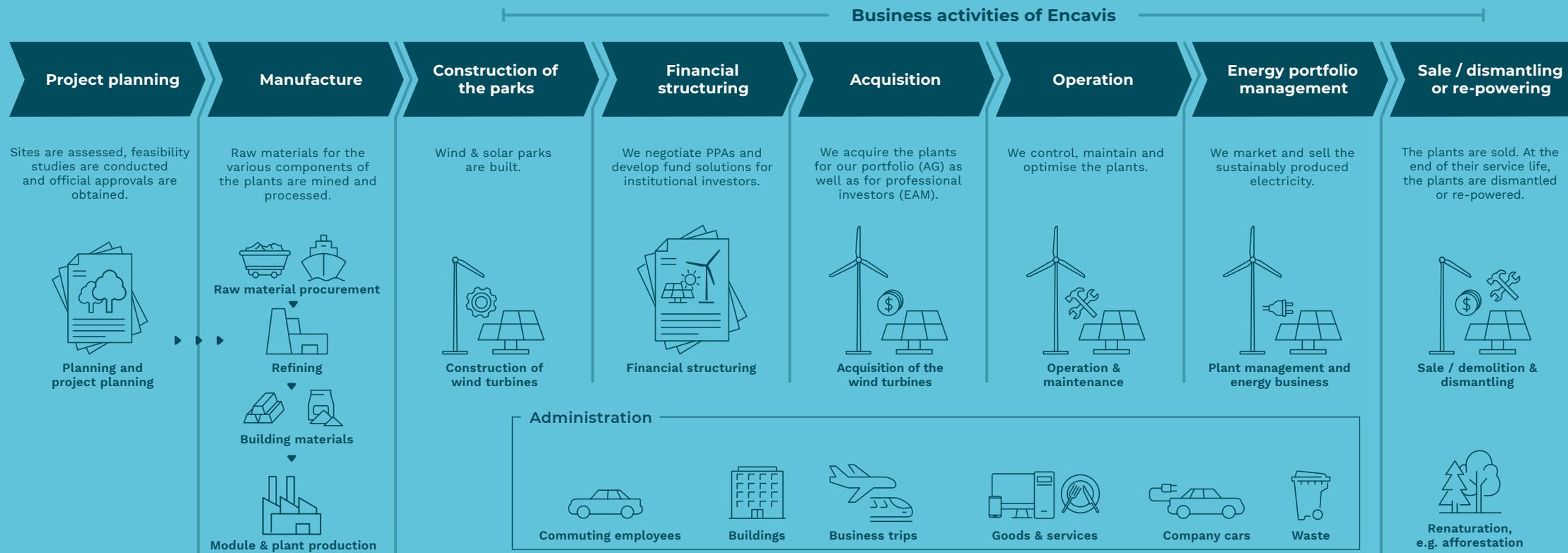
€ BN TOTAL ASSETS
(2020: € 2.82 BN)

About this report

→ GRI 2-3

The reporting period of Encavis AG's Sustainability Report covers the period from 1 January 2021 to 31 December 2021. This corresponds to the reporting period of Encavis AG's financial statements, which were published on 29 March 2022.

Value creation structure



Scopes of the carbon footprint calculation

SCOPE 3 Supply chain

A large part of our carbon emissions occurs during the manufacture and installation of the wind and solar parks.

SCOPE 1 & 2

Operation of the plants & administration

Scope 1 covers the use of our vehicles. Scope 2 includes the electricity and heat consumption for plant operations and at our office locations.

SCOPE 3 Dismantling

The dismantling of the plants also produces carbon emissions.

Content

Key figures	02	<u>SURROUNDINGS</u>	23
Value creation structure	03	Economic responsibility	25
<u>ENCAVIS</u>	05	Corporate governance & compliance	31
Editorial	06	Supply chain responsibility	36
Business model	07	<u>PEOPLE</u>	39
Corporate strategy	08	Our employees	42
Organisational structure of the Group	09	Corporate citizenship	49
Our values	12	<u>ENVIRONMENT</u>	51
<u>FOUNDATION</u>	13	Help in the fight against climate change through carbon reduction	54
Integrating sustainability (CSR) into the organisational structure	15	Sustainable increase in efficiency	58
Key stakeholders	16	Epilogue	63
Material sustainability topics	18	GRI content index	64
Sustainability goals	21	Imprint	70

05

ENCAVIS

MAY THE WIND BE WITH YOU

“We aim to take a leading position also in sustainability.”

Dr. Dierk Paskert, Chief Executive Officer (CEO)



“We are ready to invest in the future.”

Dr. Christoph Husmann, Chief Financial Officer (CFO)



Editorial

→ GRI 2-22

Dear Reader,

The world is currently undergoing an epochal upheaval. The global pandemic and the current geopolitical confrontations in Ukraine vividly demonstrate that old certainties no longer apply. Political and economic partnerships, global supply chains, the digitalization of business processes, and dealing with a rapidly advancing climate change require not only a radical rethink, but also correspondingly proactive action. Recently, it has become clear that the basis for sustainable, economic freedom of action is an independent and decentralized supply of renewable energy.

At Encavis, we have been committed to sustainable energy supply from the very beginning. In this respect, we are convinced that we are doing the right thing - for the environment, the people and society.

But we also want to do the right thing in a sustainable way. That's why, a year ago, we set out to expand our sustainability-oriented activities within the framework of a professional sustainability management system. Today, we are proud to say that we have already made a lot of progress along the way.

In keeping with the title of this Sustainability Report, "The Sun goes Up", we continue pursuing our sustainable goals and make a further contribution to a safer world. In the following, we explain what we are doing in concrete terms, what we have already achieved and what still lies ahead.

In the first chapter "Foundation" we show you how we set out to firmly anchor our sustainability strategy in our value chain.

In the "Surroundings" chapter, we look at our business model and explain how it is helping to drive the energy transition.

The "People" section focuses on our most important asset, our employees.

And in the "Environment" chapter, we concentrate on our promise to counter-act climate change. For example, for the first time we have drawn up a carbon footprint and calculated our own carbon footprint.

We are pleased to be able to present our new Sustainability Report for the first time in accordance with the GRI (Global Reporting Initiative) standard. We hope you find it an interesting and informative read - and most importantly, please feel free to give us feedback!

Yours, Dr. Dierk Paskert,
CEO Encavis AG

Yours, Dr. Christoph Husmann,
CFO Encavis AG

Business model

→ GRI 2-1, 2-6

Listed in the SDAX of Deutsche Börse, Encavis AG (hereinafter also referred to as Encavis) exploits the diverse opportunities arising from the generation of electricity from renewable energy. As an independent operator of environmentally friendly and emission-free power plants, Encavis has continuously expanded its generation portfolio since 2009.

The core business of the company, which is headquartered in Hamburg, is the acquisition and operation of solar and onshore wind parks. When acquiring new plants, Encavis focuses on a mix of projects under development, ready-to-build, turnkey projects, or existing plants that have guaranteed feed-in tariffs or for which long-term power purchase agreements (PPAs) have been signed.

Through its subsidiary, Encavis Asset Management AG in Neubiberg (Munich), Encavis additionally offers institutional investors lucrative opportunities for investment in renewable energy generation assets. The Asset Management segment comprises all services in this business segment, i. e. the initiation of funds and the individual design and structuring of other investments for professional investors in the field of renewable energy as well as the operation of the energy assets held by these investors.

Generally, all Encavis Group assets are in geographical regions within Europe which are characterised by a stable economic environment and reliable investment and business conditions: Germany, Italy, France, Great Britain, Austria, Finland, Sweden, Denmark, Ireland, the Netherlands and Spain.

Wind park
Clogheravaddy
(10.8 MW, Ireland)





Corporate strategy

As renewable energy becomes increasingly economically viable compared to conventional forms of energy generation and more and more companies commit themselves to a climate-friendly energy footprint, as reflected, for example, in the RE100 initiative¹, the market for private-sector power purchase agreements (PPAs) is growing dynamically.



The first long-term power purchase agreement for a period of ten years was signed by Encavis in September 2019 for the Spanish solar park Talayuela with a generation capacity of 300 MWp. The customer is an European energy company. The Group's largest solar park has fed into the Spanish high-voltage grid since January 2021. In December 2019, a further Power Purchase Agreement (PPA) with a term of ten years was concluded with Amazon Web Services for the Spanish solar park "La Cabrera" with a generation capacity of 200 MWp. The plant was connected to the grid in November 2020.

Solar park Talayuela
(300 MWp, Spain)

These parks give us access to the world of direct marketing of "green" electricity to corporates, which is an extremely fast-growing, global market. To this end, we made an important update to our operating model in the reporting year and created new internal roles for long-term power purchase agreements, energy portfolio management and energy risk management. These new roles enable effective energy sales, active management of energy risks and comprehensive risk reporting – all of which are fundamental aspects in a market environment that is not government-subsidised.

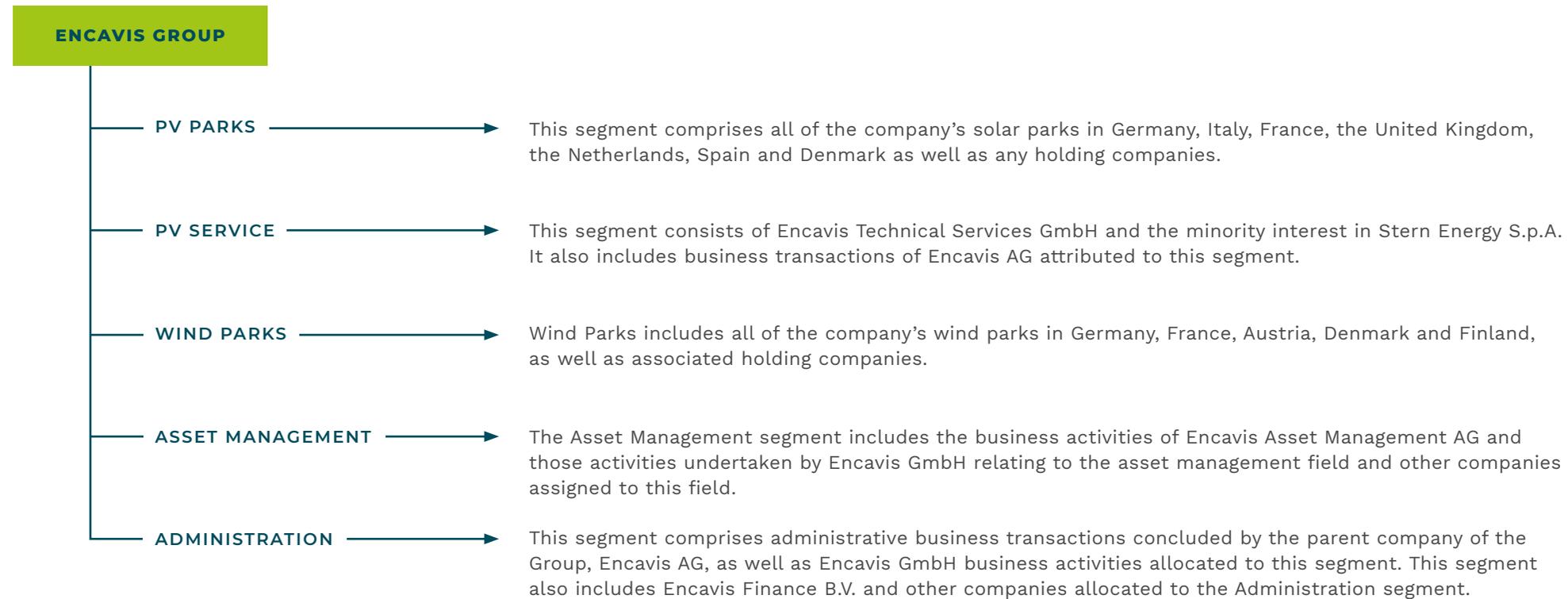
¹ RE100 is an initiative that more than 230 influential companies have joined. They have set themselves the goal of covering 100% of their electricity requirements from renewable energy by 2050 at the latest.



Organisational structure of the Group

→ GRI 2-2

Encavis AG is the parent company of the Encavis Group. Besides Encavis AG, 253 subsidiaries were directly or indirectly consolidated as of 31 December 2021. The Encavis Group consists of five segments.



Corporate governance

→ GRI 2-9, 2-11, 2-10, 2-14, 2-16

In accordance with legal requirements, Encavis AG has a dual management system, which is characterised by a separation of personnel between the management and supervisory bodies. The Management Board has sole responsibility for managing the company. The Supervisory Board is composed of members elected by the general meeting and has a supervisory and advisory function. The two bodies are strictly separated from each other in terms of both their members and their rights and duties.

Management Board

The Management Board informs the Supervisory Board continuously, promptly and comprehensively about the business performance, strategy, planning and risk management of the company. The Chairman of the Management Board informs the Chairman of the Supervisory Board without delay of important events that are of material significance for the assessment of the current situation and future developments or for the management of the company. As in the previous year, the Management Board of the company was composed of two members in 2021.

Supervisory Board

→ GRI 2-15

In 2021, the Supervisory Board was composed of nine members, eight men and one woman. The Supervisory Board has formed two committees; the key task of the Human Resources Committee is to prepare the personnel matters to be decided by the Supervisory Board. The Audit Committee monitors the accounting process, the effectiveness of the internal control system, the risk management system, and the internal audit system. In addition, it monitors the audit, especially the independence of the auditor and the additional services provided by the auditor. The Chairman of the Supervisory Board is classified as a dependent in accordance with the German Corporate Governance Code. He is not an executive of the Group and has never been a member of our Executive Board.

The guiding principle for the composition of the Supervisory Board is to ensure qualified supervision and advice to Encavis AG's Management Board. In the past, only candidates who have professional knowledge and experience, integrity, willingness to perform, independence and personality to successfully perform the tasks of a Supervisory Board member in an internationally operating company were proposed to the general meeting for election to the Supervisory Board. The company is of the opinion that the Supervisory Board is composed of members with industry

and capital market experience who have the required skills that would usually be specified in a profile of skills and expertise. Therefore, the Supervisory Board does not see the need for specifying a profile of skills and expertise.

The members of the Supervisory Board are obliged to disclose any conflicts of interest that exist regarding individual resolution items to the Chairman of the Supervisory Board. In its report to the general meeting, the Supervisory Board informs the shareholders of any conflicts of interest and how these were addressed. Material conflicts of interest of a Supervisory Board member that are not of a temporary nature should lead to the termination of that member's mandate. Consultancy or other service and work contracts of a member of the Supervisory Board require the approval of the Supervisory Board. For specific information on the work of the Supervisory Board, please refer to the respective pages of our Annual Report.

Remuneration

→ GRI 2-19, 2-20

The current remuneration systems for the members of the Management Board and the Supervisory Board of Encavis AG were adopted by the Supervisory Board – after preparation by the Human Resources Committee – in accordance with Sections 87 (1), 87a (1) of the German Stock Corporation Act (AktG) and



approved at the general meeting on 27 May 2021. For more information, see: [Remuneration system of the members of the Management Board](#), [Remuneration system for the Supervisory Board members](#)

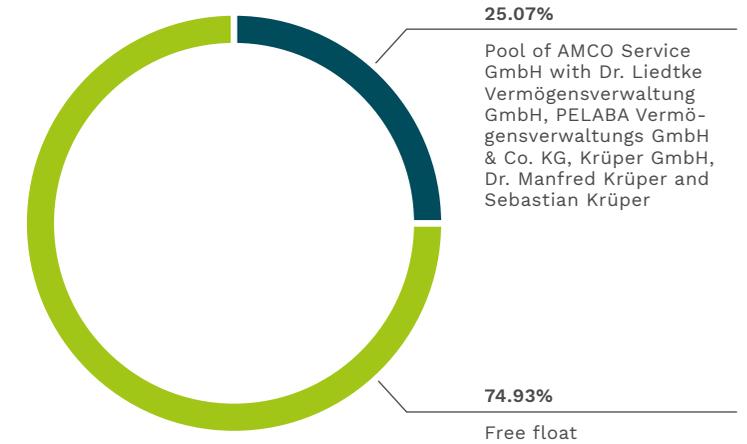
The Human Resources Committee regularly reviews the appropriateness and customary nature of the remuneration of the Management Board members and, if necessary, proposes adjustments to the Supervisory Board to ensure a remuneration package for the Management Board members that is both customary and competitive within the applicable framework. Apart from the statutory regulations on the retrospective reduction of remuneration, the contracts of the Management Board members do not currently contain any explicit clawback provisions. When concluding future contracts with Management

Board members, the Supervisory Board will work towards clawback provisions that are customary in the market and that allow for the clawback of variable remuneration components in certain cases (e. g. performance or compliance).

Ownership structure

Within Encavis AG's free float (74.93 percent), there was a noticeable increase in institutional investors from both continental Europe and the USA in 2021. In particular, the share of passively managed, index-oriented exchange traded funds (ETFs) as well as the share of sustainability-oriented ESG funds originate from these regions. The major shareholders jointly hold 25.07 percent of the shares.

As of March 2022, the shareholdings of Encavis AG were as follows:



Major investors within the free float

- 4.7% Bank of America Corporation
- 4.3% Morgan Stanley
- 4.1% BlackRock, Inc.
- 3.6% UBS Group AG
- 3.5% Versicherungskammer Bayern
- 3.2% The Goldman Sachs Group, Inc.
- 3.1% Lobelia Beteiligungsgesellschaft/Kreke Immobilien KG
- 2.7% DWS Investment GmbH, Frankfurt/Main
- 2.6% Invesco Ltd. (inkl. Invesco ETF Trust II)
- 1.5% iShares Trust
- 0.8% iShares IL plc
- 0.3% Management Encavis AG



Solar park Ermelo
Schaapsdijk (7.85 MWp,
Netherlands)

12

Our values

Encavis is a successfully growing company whose corporate culture is actively shaped by its employees. Together, we have developed the following values, which are daily demonstrated by Encavis and its business partners.

<p>Sharing enthusiasm</p> <p>“We enjoy working towards our shared success.”</p> <p>Passion for renewable energy and for our work is the driving force behind our day-to-day activities and the basis for developing our company and achieving our goals together.</p>	<p>Seizing opportunities</p> <p>“We actively seize opportunities and work diligently to achieve our goals.”</p> <p>We do not wait for opportunities to come to us, but seize them pro-actively. Any opportunities that arise are reviewed for sustainable feasibility and implemented professionally and jointly. We also always look for opportunities for improvement in the existing.</p>	<p>Appreciating trust</p> <p>“We trust each other and can rely on each other.”</p> <p>Our relationships with colleagues and business partners are based on mutual trust. We consider reliability and transparency to be the very foundation for trusting cooperation and good business relationships.</p>	<p>Working as a team</p> <p>“We stick together, support each other and care for each other.”</p> <p>We are convinced that the best performance can be achieved only in a working environment characterised by team spirit. Feeling at ease and experiencing joy together opens up the space that is needed to achieve great things. We respect each other and see the diversity of our colleagues as an enrichment. We care for and support each other and treat each other and our partners fairly.</p>	<p>Shaping the future</p> <p>“We actively shape the future and act responsibly.”</p> <p>We think of the consequences for tomorrow in everything we do. We act with foresight, address issues with determination and use our strength and knowledge self-confidently. In doing so, we always act reliably and sustainably – for ourselves, our partners, our society and our environment.</p>	<p>Assuming responsibility</p> <p>“We assume responsibility for our own actions.”</p> <p>The responsible treatment of our environment is our core objective. We assume responsibility for our own actions and always set a good example. We approach others proactively and do not look the other way.</p>	<p>Filling customer orientation with life</p> <p>“We fill customer orientation with life and value our customers.”</p> <p>We know our markets and value our customers. We deliver quality and stand for expertise. We ask the right questions and respond to our customers.</p>
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FOUNDATION

SO FAR, SO GOOD

Encavis has set out to analyse and further optimise its own value creation structures by taking a holistic approach. All aspects of sustainability have been integrated into the company's operational and strategic processes. The establishment of structured sustainability work forms the foundation for this.





Consequently, Encavis has initiated a professional sustainability management system. The company has joined the United Nations Global Compact sustainability network as well as the United Nations Principles of Responsible Investments (UN PRI) network. Encavis has thus endorsed the sustainable investment aspects and sustainability criteria of the UN in the four key areas (human rights, labour, environment, and anti-corruption).

Encavis is a fast-growing company that is already sustainable in its primary business purpose, its strategy, and its value-oriented corporate governance. In 2020, Encavis laid the foundations for strategic management, controlling and reporting that are fully geared to sustainability. The year 2021 saw Encavis consolidate these foundations and make great progress on its sustainability journey.

With this report, Encavis provides an insight into its comprehensive sustainability work, which is demonstrated in the four fields of Strategy & Governance, Economy, Environment and Social, defines material topics and sets ambitious goals.

The “Foundation” chapter describes the fundamentals of the company’s sustainability work. The focus is on the integration of sustainability into the organisational structure, a description of the key stakeholder groups and the definition of material topics and the corresponding sustainability goals.

Solar park
Sonzay
(10.7 MWp,
France)



51

Integrating sustainability (CSR) into the organisational structure

→ GRI 3-3 SUSTAINABLY INTEGRATED CORPORATE STRATEGY, 2-12, 2-13, 2-17, 2-17

Encavis has established a Sustainability Council at the highest management level, which is responsible for the strategic development of the sustainability framework.

Established in April 2021, the Sustainability Council has six members: the CEO, the CFO and the COO of Encavis AG, the two Board members of Encavis Asset Management AG and the Head of the Sustainability & Communications Department. The Council held three virtual meetings in 2021 to discuss and adopt sustainability-related topics and measures. Specifically, the Council adopted the stakeholder engagement process as well as the supply chain management strategy. Besides the further development of the Group-wide sustainability strategy, the ongoing review of the ESG goals by means of a progress report is one of the core tasks of the Sustainability Council.

Sustainability & Communications Department

In January 2021, Encavis established a Sustainability & Communications Department, whose head is a member of the Sustainability Council. The new unit is responsible for the strategic development of Encavis' sustainability work. The department oversees the Group-wide coordination of individual measures and their alignment with the corporate strategy. It also manages sustainability communication in a meaningful and beneficial manner. In particular, the department's staff drive forward the sustainability strategy and ensure compliance with numerous ESG guidelines and obligations.

Sustainability Task Force

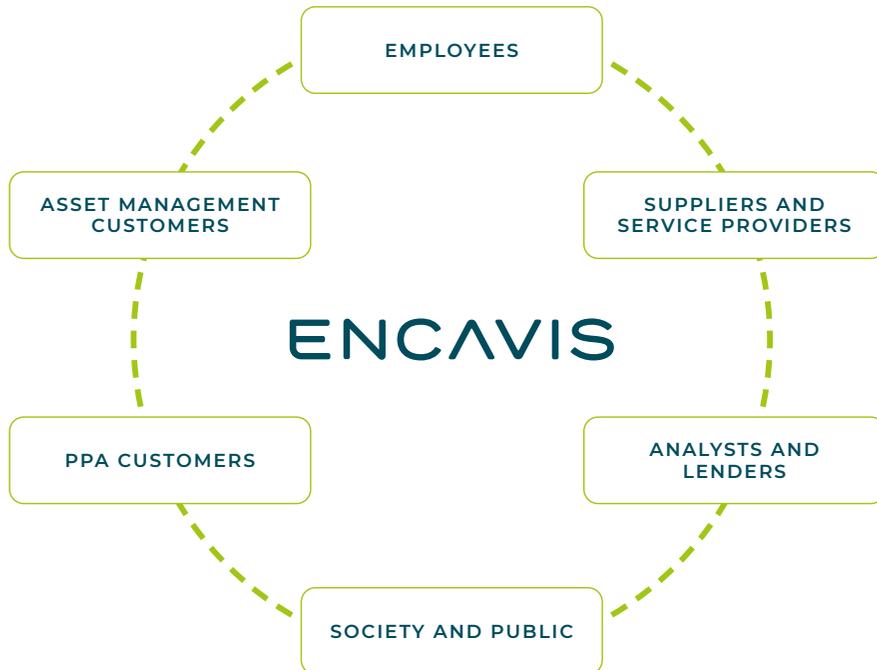
Since early 2020, an internal Sustainability Task Force has been responsible for driving forward the development and implementation of internal sustainability measures and goals. This task force is composed of representatives from several business units of the Encavis Group. It consults regularly and communicates progress that has a sustainable (internal) impact. In autumn 2021, for instance, a "Giving Back Week" was organised. For this purpose, local associations were selected at the two company locations in Hamburg and Neubiberg, where employees had the opportunity to participate in various projects on a voluntary basis. The Sustainability Task Force is currently working on a concept for participation in this year's charity runs in Hamburg and Munich.



Key stakeholders

→ GRI 2-29

As a renewables company, Encavis operates in an environment of constant change and changing demands made by numerous stakeholders. Knowing and addressing the needs of these stakeholder groups is the basis of Encavis' sustainability work.



The interests, requirements and demands of the various internal and external stakeholders are anything but homogeneous. To meet them, Encavis conducted a survey among its stakeholders in 2021. The aim here was not only to improve communication in general but also to define the specific demands made on Encavis' sustainability work by its stakeholders.

In the context of a workshop held by the management and the Sustainability Team in 2020, six key stakeholder groups were identified.

1. Employees were identified as the most important internal stakeholder group. They make high demands on the sustainability work of their employer, while at the same time being part of the core of this work.

2. The suppliers and service providers group comprise stakeholders that are of key importance for Encavis' upstream value creation as well as for current operations. These include project developers, suppliers, banks and insurers as well as service providers for technical operation and maintenance. Their demands on sustainability differ. A central task and one of the next steps of the Sustainability Team will be to analyse mutual demands and evaluate potential measures.

3. The group of analysts and lenders of the Encavis Group comprises stakeholders in the capital market. The focus here is on shareholders, analysts, lenders and (ESG) rating agencies.



4. Society and public covers a wide range of different stakeholders. These include, on the one hand, local authorities and residents living near existing wind and solar parks and, on the other hand, policymakers (including legislators and regulators), associations and the press.
5. Due to the historical differences in the business model of Encavis AG and Encavis Asset Management AG, two stakeholder groups have been identified as customers, which cannot be summarised in a single group. For Encavis AG, the focus is on customers under power purchase agreements, also referred to as PPA customers,
6. while institutional fund investors were identified as the key customer group for Encavis Asset Management AG.

Ongoing stakeholder engagement is ensured through various communication channels. Communication is tailored to each individual target group.

For internal communication, the Group-wide Encavis2go channel was set up in Microsoft Teams back in 2020. Team spirit even at a distance is promoted through virtual formats such as “Café Solar” or “Lunch & Learn” for the staff. Topics prepared by employees such as climate change, the future working world at Encavis or health in the mobile office are presented and discussed here. Moreover, the Management Board informs about current topics concerning the Encavis Group under the motto “Whatsup@encavis” several times a year.

The Encavis website as well as social media channels such as LinkedIn, Twitter and Xing keep followers such as investors, shareholders and energy industry experts up to date on the latest news. Press releases are used to communicate news, especially corporate news.

Together with the Management Board, the Investor Relations Department is in constant dialogue with institutional investors, shareholders, analysts, banks, brokers and other financial players and intermediaries. In 2021, for instance, Encavis participated in 48 financial roadshows and countless one-on-one meetings with investors <https://www.encavis.com/en/investor-relations/financial-calendar/>. The dialogue on the future and the development of Encavis creates trust and ensures

transparency. Analysts’ and investors’ questions are answered by the Management Board in conference calls after each publication of the Group’s figures. The annual general meeting is particularly important for shareholders. The next general meeting is scheduled for 19 May 2022. Due to the COVID-19 pandemic, this general meeting will again have to be held as a virtual event at which no shareholders and proxies will be present. Events such as the annual Capital Markets Day complement the diverse dialogue formats. They are essential to intensify personal relations with stakeholders.

Investors of Encavis Asset Management are informed through regular fund reports and at Investment Committee meetings. Responsibility for investors is assumed through personal representation on the supervisory boards of the fund companies.

The consolidated financial statements are an established medium which complements the regular dialogue and takes into account the interests of the stakeholders.

In summer 2021, many stakeholders were, for the first time, directly involved in the identification of material topics as part of an online survey.

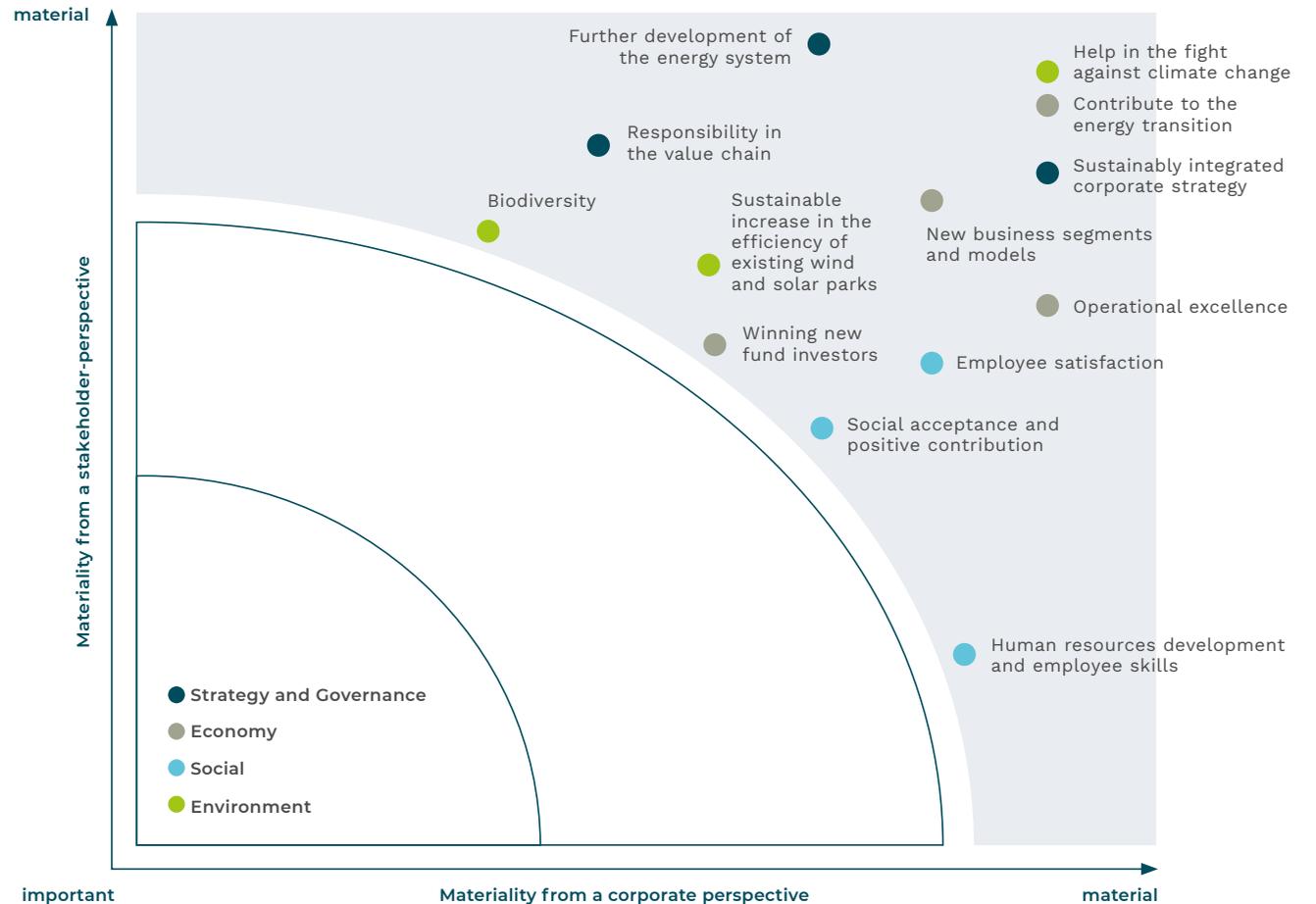


Material sustainability topics

→ GRI 3-1, 3-2

To ensure the sustainable development of the company and establish structured sustainability work at Encavis, the management defined material sustainability topics in 2020 together with the Sustainability & Communications Department, which were externally verified in summer 2021.

Within the four fields of Strategy & Governance, Economy, Environment as well as Social, various topics from Encavis' business environment were analysed and discussed in detail as part of the company's efforts to establish structured sustainability work. The focus was on an integrated view and an assessment of the relevance of the topics for Encavis. In this context, the impact of Encavis' business activity on the environment was also addressed. The stakeholder-perspective on the material topics was initially analysed internally, with an external verification following in summer 2021.



In the context of an online survey conducted over several weeks to verify and adapt the material topics, more than 200 persons assessed the sustainability topics that are potentially relevant to Encavis. All stakeholders – with the exception of the PPA partners – participated in the survey. The Materiality Matrix – which combines the assessments made by the internal stakeholders with those of the external stakeholders – was first presented at the Encavis Capital Markets Day in October 2021. Sustainability topics are considered to be material if they are of great importance from the point of view of the internal stakeholders and/or from an external stakeholder perspective. Topics that were classified as material included, in particular, the contribution to the fight against climate change as well as the contribution to the energy transition through the acquisition of new wind and solar parks. A sustainable integrated Group strategy was also classified as material by the respondents. The results of the stakeholder survey conducted in summer 2021 are essentially in line with the results of the internal Encavis Materiality Workshop in 2020. After the external stakeholder survey, “biodiversity” and “supply chain responsibility” were added to the list of material topics.

Strategy & Governance

In the field of action “Strategy & Governance”, three material topics were identified that are essential for the sustainable development of Encavis AG. First, the further development of a sustainably integrated corporate strategy is of paramount importance for the business model of the Encavis Group. Encavis is generally committed to sustainable development in all areas. Pushing forward with this development and involving the stakeholders is a key concern. The focus here is on the further integration of sustainability processes, sustainability indicators and control instruments into corporate controlling.

Moreover, the further development of the energy system, with a special focus on the storage of the electricity generated, has been identified as material and will be swiftly driven forward by Encavis. The development of state-of-the-art energy systems is of great relevance for the energy transition and the further development of renewables.

Supply chain responsibility is a material topic especially for our external stakeholders. Metals such as iron, copper, rare earths, etc. are used in the production of wind turbines and photovoltaic systems. Together with its suppliers and

business partners, Encavis works to ensure that these raw materials are extracted in the countries of origin in a way that is compliant with human rights standards and ecologically sound.

Economy

Investing in renewables and enabling investments in the latter is a key concern for Encavis. This relates in particular to the acquisition of new wind and solar parks as well as to winning new customers for Encavis Asset Management.

To provide all stakeholders with the best possible services, it is especially relevant for Encavis to manage its own portfolio as efficiently and effectively as possible. This means that operational excellence is not only in the interest of Encavis but also of importance for its stakeholders. The direct marketing of electricity under power purchase agreements ensures that the investment and framework conditions for renewables will remain reliable thanks to long-term partnerships with industrial and commercial customers. The further expansion of this market is material for Encavis’ future economic success.

Social

Satisfied and well-trained employees are able to identify those opportunities in the rapidly growing renewables market that will enable Encavis to make stable, long-term investments that will still be profitable tomorrow.

Encavis therefore urgently strives to maintain the highest level of employee satisfaction and to promote professional and personal development in the best possible way. Employee satisfaction and human resources development are material topics for Encavis.

Encavis believes that social responsibility goes beyond its own employees. Responsibility for labour and social standards in the value chain is an essential part of a sustainably integrated corporate strategy in the field of Strategy & Governance and makes a positive contribution to the promotion and social acceptance of these material topics. Encavis is well aware of its social responsibility and therefore contributes to a better social and ecological environment.

Environment

In the “Environment” field, the company’s contribution to the fight against climate change through carbon reduction, the sustainable increase in the efficiency of existing wind and solar parks and biodiversity are at the top of the agenda.

By generating and marketing green electricity, Encavis is making a huge contribution to the fight against climate change – but there is still room for improvement. With a view to increasing this contribution, Encavis has set itself the goal of analysing and leveraging further possibilities for carbon savings in its own business operations and also along the supply chain.

Apart from reducing carbon emissions along its own value chain, it is essential for Encavis to continuously optimise the wind and solar parks in its portfolio and thus to achieve a sustainable increase in the efficiency of existing wind and solar parks. For Encavis, a sustainable increase in efficiency is not limited to purely economic aspects, though. Instead, the company takes a holistic approach, which also covers environmental and social aspects.

After the stakeholder survey conducted in summer 2021, biodiversity was added to the list of material environmental topics. Encavis

is in a position to combine climate protection and species conservation, as solar parks that are planned and operated in an environmentally friendly manner have a positive impact on biodiversity.

Wind park
Pyhäkoski
(13.2 MW,
Finland)



Sustainability goals

Good sustainability work is measured by its goals. Encavis has chosen a holistic approach to defining such goals: the Encavis Sustainability Goals refer to the material topics while at the same time focusing on the contribution to the United Nations Sustainable Development Goals (SDGs). This highlights Encavis' contributions to sustainable development and the key role of renewables in the ecological transformation process.

We have set ourselves ambitious goals for each of the sustainability topics. The fact that the degree to which the goals are accomplished is regularly addressed by the Sustainability Council ensures that our sustainability strategy is constantly refined and improved.

Encavis has identified a total of twelve sustainable development goals on which the company wants to focus:



Topic	Goal
Strategy & Governance	
Further development of the energy system	Evaluation of at least three potentially commercially viable pilot projects with new technologies per year Review of options to integrate renewables into the value chain
Sustainably integrated corporate strategy	Improve MSCI ESG rating to AAA by 2025
Responsibility in the value chain	Implementation of the Business Partner Code of Conduct (BPCoC) by including the BPCoC in 100% of the new contracts with business partners

Table is continued on the following page

Topic	Goal
Economy	
Contribute to the energy transition	Increase the capacity of own plants to 3.4 GW by the end of 2025
Operational excellence	Determine the average plant performance on the basis of the newly determined metrics and define realistic targets by the end of 2022
Winning new fund investors	Raise an additional 1.26 billion euros for the funds by the end of 2025
	Invest the capital raised by the end of 2026
New business segments and models	Increase non-subsidised electricity production noticeably by the end of 2025
Social	
Employee satisfaction	Ensure employee satisfaction
Human resources development and employee skills	Promote employee skills and expertise
Social acceptance and positive contribution by the Encavis Group	Increase the social and political relevance of the Encavis Group
	Annual organisation of a “Giving Back Week”
Environment	
Help in the fight against climate change	Increase share of green electricity purchases to 100% by the end of 2022
	Prepare annual carbon footprint in accordance with the GHG Protocol
	Maximise our climate contribution through ongoing implementation and expansion of environmental and climate protection measures
Sustainable increase in the efficiency of existing wind and solar parks	Review potential water savings per sqm of PV surface by the end of 2022
	Integrate the environmental management system into an integrated ESG tool by the end of 2022
Biodiversity	Develop a biodiversity strategy and define a target for increasing biodiversity by the end of 2025

SURROUNDINGS

IT'S ALL ABOUT RENEWABLES

What can Encavis do to further optimise its contribution to a sustainable society? This question is addressed in the following chapter.



SURROUNDINGS

It describes the mutual effects of the Encavis Group's immediate business environment. The focus here is on topics in the areas of Strategy & Governance as well as Economy, as sustainability work will be successful in the long term only if these areas are integrated effectively. For a more detailed approach, the chapter is divided into three sections: "Economic responsibility", "Corporate governance & compliance", and "Supply chain responsibility".

In this context, Encavis places the main emphasis on topics such as the implementation of a sustainably integrated corporate strategy that takes a holistic view at relevant issues, operational excellence, electricity marketing and growth factors. Where growth factors are concerned, the company regards the acquisition of new wind and solar parks and the winning of new asset management customers as essential.

Wind park
Warnsdorf
(43.2 MW,
Germany)



Economic responsibility

Encavis' economic surroundings are geared to sustainable growth with a positive impact on the reduction of greenhouse gases. Strategically speaking, the topics of growth, electricity marketing and asset management are particularly relevant. The goals are to improve operational excellence by optimising digital overall monitoring and to continuously drive structural improvements, optimisation, and automation.



Solar park Rodby Fjord (71.4 MWp, Denmark)

We have set ourselves specific goals to live up to our economic responsibility and to achieve our corporate vision. The regular review of the degree to which the goals have been accomplished ensures a continuous development and improvement process. To ensure that our ambitious goals are achieved, we implemented comprehensive measures in 2021 and will continue to work towards Encavis' sustainable economic success together and with great determination also in the future.

Economy	Goals	Status	Measures
Contribute to the energy transition	Increase the capacity of own plants to 3.4 GW by the end of 2025	→	Implemented in 2021: <ul style="list-style-type: none"> - Capacity of own plants increased through commissioning of 435 MW Measures for 2022: <ul style="list-style-type: none"> - Steady portfolio expansion
Operational excellence	Calibrate an appropriate metric for measuring and documenting the performance of the plants by the end of 2021	✓	Implemented in 2021: <ul style="list-style-type: none"> - Digital overall monitoring of the parks - Continuous acceleration of structural improvements, optimisations and automation
	Determine the average plant performance on the basis of the newly determined metrics and define realistic targets by the end of 2022	+	Measures for 2022: <ul style="list-style-type: none"> - Performance analysis of the individual plants - Identify the main reasons for performance losses and define suitable measures to solve them
Winning new fund investors	Raise an additional 1.26 billion euros for the funds by the end of 2025	→	Implemented in 2021: <ul style="list-style-type: none"> - Sales launch of a new RE fund, Encavis Infrastructure Fund IV (EIF IV), with an issue volume of 500 million euros
	Invest the capital raised by the end of 2026	→	<ul style="list-style-type: none"> - Purchase of 313 MW, spread across 19 operating companies for existing fund vehicles Measures for 2022: <ul style="list-style-type: none"> - Successful development and expansion of existing fund vehicles and those in the process of being established
New business segments and models	Increase non-subsidised electricity production noticeably by the end of 2025	→	Implemented in 2021: <ul style="list-style-type: none"> - The PPA Origination Department was implemented and built up Measures for 2022: <ul style="list-style-type: none"> - Win corporates and utilities for direct marketing of electricity - Ongoing participation in tenders for PPAs

✓ 100% accomplished → On track + New goal

Outlook on our business performance

→ GRI 3-3 FURTHER DEVELOPMENT OF THE ENERGY SYSTEM, 3-3 CONTRIBUTE TO THE ENERGY TRANSITION, 3-3 OPERATIONAL EXCELLENCE, 201-1, 201-4, 203-1

Encavis is one of the largest independent electricity producers in Europe's renewable energy sector. The positive framework conditions and the successful economic development of the company offer ideal conditions to further expand this position. To aggressively exploit the growth opportunities and to further increase the company's efficiency, Encavis is implementing its >> Fast Forward 2025 growth strategy with great determination. The aim is to expand the company's own contractually secured generation capacity to 3.4 GW by 2025.

In late November 2021, we placed a hybrid convertible bond with an issue volume of 250 million euros, which was oversubscribed several times, with institutional investors within a few hours at very favourable conditions and at a very good price. We have thus put ourselves in an excellent position for growth in the coming years.

More detailed information on key economic figures, including investment activities, is published in the annual consolidated financial statements at <https://www.encavis.com/en/investor-relations/reports-and-presentations/>.

Planning for the next four years focuses on further investments in ready-to-build wind and solar parks as well as on securing projects already in earlier phases of development in coordination with strategic development partners. Going forward, we intend to acquire more parks whose electricity marketing is secured under long-term agreements with industrial and commercial customers (PPAs).

Encavis currently has a project pipeline of solar assets with a total generation capacity of more than 3.5 GW, which is secured by numerous strategic development partnerships.

As the business strategy of the Encavis Group is geared towards qualitative growth, we again expect strong growth for the financial year 2022. The strategic transformation of the company as well as the successful entry into the PPA business with the two Spanish solar parks "La Cabrera" and "Talayuella", which have already been connected to the grid, and the continued rise in electricity prices will significantly increase revenues and earnings.

Accordingly, we expect sales revenues to rise to over 380 million euros in the financial year 2022. These expectations are based on our wind and solar park portfolio as of mid March 2022 and on the assumption of standard weather conditions. Technical availability of the plants is expected to remain above 95 percent in the financial year 2022.

Asset management

→ GRI 3-3 WINNING NEW FUND INVESTORS, 3-3 NEW BUSINESS SEGMENTS AND MODELS

Together with institutional investors such as insurance companies and pension funds or savings banks and cooperative banks, Encavis Asset Management is also driving the energy transition by generating electricity from wind and solar power.

Renewable energy plants offer lucrative and reliable returns as well as stable cash flows, which are largely government-guaranteed or secured by customers with strong credit ratings. Long maturities and low correlation with other asset classes or economic fluctuations make these investments particularly suitable for pension funds and insurance companies, which usually need to make long-term investments and to diversify large portfolios.

As of 31 December 2021, the portfolio under management comprised a total of 33 solar parks and 55 wind parks in Germany, Italy, France, Spain, Great Britain, Finland, Sweden, Austria and the Netherlands. The installed capacity from renewables was increased by 50 percent in the reporting year to now 1.2 GW.

The decarbonisation of investment portfolios has become internationally established, as institutional investors are increasingly withdrawing from investments in fossil energy sources such as coal or oil in favour of new investments in renewable energy. Encavis Asset Management is well on track to achieve its goal to raise an additional 1.5 billion euros (base year: 2020) for the funds by 2025, with 241 million euros already raised in 2021. Wind and solar parks with a combined capacity of 313 MW have been purchased, spread over 19 operating companies. September 2021 additionally saw the sales launch of a new Encavis fund, the Encavis Infrastructure Fund (EIF IV) with an issue volume of 600 million euros. Another fund vehicle is currently in the start-up phase.

Financial responsibility

The Encavis Group's internal management criteria are based on five essential key performance indicators (KPIs), which also serve as benchmarks in external performance measurement. The focus is clearly on operating and cash KPIs.

Encavis has published these operating KPIs since 2014; their derivation from the IFRS consolidated financial statements is also audited and can be found in the annual reports of the past years as well as in the 2021 consolidated financial statements. The equity ratio and the technical availability of the energy assets are also of material importance for the Encavis Group.

Group operating figures ¹

in TEUR	2017	2018	2019	2020	2021	+/- compared to previous year
Revenue	222,432	248,785	273,822	292,300	332,703	14 %
Operating EBITDA	166,768	186,890	217,626	224,819	256,398	14 %
Operating EBIT	100,387	113,682	132,229	132,158	149,050	13 %
Operating EBT	46,739	56,753	76,627	76,488	87,345	14 %
Operating EAT	39,962	47,036	63,446	68,291	77,004	13 %
Operating EPS (in EUR)	0.29	0.31	0.43	0.43	0.48	12 %
Balance sheet total ²	2,519,698	2,537,101	2,747,035	2,823,844	3,215,888	14 %
Equity	698,594	687,057	722,713	751,561	1,066,388	42 %
Equity ratio	27.7 %	27.1 %	26.3 %	26.6 %	33.2 %	-
Operating cash flow	153,017	174,282	189,315	212,947	251,941	18 %

¹ The Group operating KPIs are based solely on the company's operating profitability and do not take any IFRS-related valuation effects into account.

² Some of the previous-year figures have been adjusted due to deferred tax assets and tax liabilities being recognised net for the first time in the 2020 financial year, thus making them not reconcilable with the annual report for the 2018 and 2019 financial years.

Derivation of the operating figures (adjusted for IFRS effects)

The Group's IFRS accounting is influenced by non-cash valuation effects and resulting depreciation. Non-cash interest effects and

deferred taxes additionally impair a transparent view of the operating earnings situation according to IFRS.

in TEUR	01.01.–31.12.2021	01.01.–31.12.2020
Revenue	332,703	292,300
Other income	38,040	17,314
Cost of materials	-4,312	-3,008
Personnel expenses, of which TEUR -3,010 (previous year: TEUR -5,357) in share-based remuneration	-19,218	-20,659
Other expenses	-66,921	-57,542
Adjusted for the following effects:		
Other non-operating income	-24,031	-4,111
Other non-operating expenses	137	516
Share-based remuneration (non-cash)	0	9
Adjusted operating EBITDA	256,398	224,819
Depreciation and amortisation	-151,445	-136,580
Adjusted for the following effects:		
Depreciation and amortisation of intangible assets (electricity feed-in contracts) and goodwill acquired as part of business combinations	47,052	50,690
Subsequent measurement of uncovered hidden reserves and liabilities on step-ups for property, plant and equipment acquired as part of business combinations	-2,955	-6,771
Adjusted operating EBIT	149,050	132,158
Financial result	-45,728	-64,486

in TEUR	01.01.–31.12.2021	01.01.–31.12.2020
Adjusted for the following effects:		
Other non-cash interest and similar expenses and income (mainly resulting from effects from currency translation, calculation of the effective rate, swap valuation and interest expenses from subsidised loans [government grants])	-15,977	8,816
Adjusted operating EBT	87,345	76,488
Tax expenses	-849	-8,965
Adjusted for the following effects:		
Deferred taxes (non-cash items) and other non-cash tax effects	-9,492	769
Adjusted operating EAT	77,004	68,291
of which: attributable to Encavis AG shareholders	69,565	59,878
Average number of shares in circulation in the reporting period	144,378,743	137,799,309
Adjusted operating earnings per share (in EUR)	0.48	0.43

Risk and opportunity management

→ GRI 201-2

As part of the effective integration of sustainability into our various business units and processes, the management of risks and opportunities also needs to be adapted. Sustainability and especially climate risks are increasingly associated with financial risks and are a correspondingly important criterion for our entrepreneurial actions. The Task Force on Climate-related Financial Disclosures (TCFD)

distinguishes between two basic categories of climate-related risk sources: physical and transitory risks. Physical risks, such as the growing impact of extreme weather events, are considered in the “Operational Risks” category of our risk management system. Transitory risks arise from the transformation towards a climate-friendly economy. The EU campaign to restructure the European economy to become carbon-neutral and sustainable has entailed a number of regulations that offer attractive opportunities for Encavis, who is a driver of the energy transition.

For detailed information on our risk and opportunity management and in particular on the financial, strategic, operational and organisational risks, please see the risk and opportunity report at <https://www.encavis.com/en/investor-relations/reports-and-presentations/>.

31

Corporate governance & compliance

Good corporate governance and a structured legal framework create safe corporate surroundings. Encavis places a focus on both areas to ensure such surroundings.

In the area of corporate governance & compliance, the focus last year was on the introduction of a compliance management system – including a KYC (know-your-customer) audit – and the creation and introduction of a [Code of Conduct](#). A Business Partner [Code of Conduct](#) (BPCoC) is to be introduced in the first half of 2022.

Regarding the strategic sustainability work and good corporate governance, we take a focused approach towards planning our measures building on our goals.

Wind park Gieboldehausen
(28.5 MW, Germany)



Strategy & governance	Goals	Status	Measures
Further development of the energy system	Evaluation of at least three potentially commercially viable pilot projects with new technologies per year	✓	Implemented in 2021: - Evaluation of three suitable storage projects - Ongoing, intensive market monitoring
	Integration of renewables into the hydrogen value chain	+	Measures for 2022: Review of options to integrate renewables into the hydrogen value chain
Sustainably integrated corporate strategy	Improve MSCI ESG rating to AAA by 2025	→	Implemented in 2021: - Definition and ongoing optimisation of sustainability goals and measures - Formation of a Sustainability Council - Improved visibility of the whistleblowing system - Introduction of a compliance management system incl. KYC audit and Code of Conduct (CoC was rolled out throughout the Group in March 2022) - Installation of certification processes for suppliers and project developers (Business Partner Code of Conduct, BPCoC, to be rolled out throughout the Group in Q2 2022) Measures for 2022: - Annual staff training on the CoC and BPCoC - Regular meetings of the Sustainability Council
Responsibility in the value chain	Implementation of the BPCoC by including the BPCoC in 100% of the new contracts with business partners	+	Measures for 2022: - Inclusion of the BPCoC in the standard onboarding process when signing new contracts - Agreement of the BPCoC with the contractual partners - Ongoing controlling and feedback to the Sustainability & Communications Team

✓ 100% accomplished → On track + New goal

Corporate Governance

Being aware of the importance of good and responsible corporate governance, the Supervisory Board and the Management Board again addressed numerous corporate governance-related questions and issues in 2021. The Supervisory Board and the Management Board jointly issued the annual declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the recommendations of the German Corporate Governance Code.

For more information on corporate governance, please refer to the combined corporate governance statement pursuant to Section 315 (5) in conjunction with Section 289f of the German Commercial Code (HGB). The corporate governance statement also includes the corporate governance report prepared by the Management Board and the Supervisory Board as well as the statement on the recommendations of the German Corporate Governance Code. The combined corporate governance statement is permanently available on the Encavis AG website at www.encavis.com/en/sustainability/governance

Compliance and fight against corruption

Compliance violations may have far-reaching negative consequences for enterprises and for society alike. Corruption is a major obstacle to development. As a European organisation, Encavis operates predominantly in countries where the risk of corruption and bribery is not increased.

We are nevertheless aware that the risks associated with compliance violations (may) result in poorer long-term business results, potential criminal and civil litigation, a weakening of the corporate culture and significant reputational damage. Lawful behaviour is therefore a fundamental requirement for good corporate governance.

The main aspects covered by Encavis' compliance-related activities include

- » compliance with the General Data Protection Regulation (GDPR) as well as IT security and IT compliance
- » corruption prevention
- » antitrust law
- » anti-money laundering

Compliance with the rules in these areas is implemented through regulations, training, consultation, and internal investigations. All relevant information such as guidelines is available on the Encavis intranet. A written Code of Conduct (CoC) was developed in 2021 and rolled out in March 2022. It contains overarching principles on compliance-relevant issues, e. g. fair competition and handling of conflicts of interest and sensitive company information, that go beyond legal standards.

The Encavis Code of Conduct provides guidance to employees on how to assess possible situations with potential corruption relevance. The Anti-Corruption Policy provides employees with the necessary knowledge about accepting and granting advantages from and to business partners and public officials and illustrates this with practical examples.

Whistle blower welcome!

→ GRI 2-26

Concerns, comments, and complaints from customers received by Encavis in person, by telephone, e-mail, fax or post are forwarded directly to the responsible department. If employees suspect non-compliance with the law, they may report their suspicion directly to their superiors or to Compliance Management. The reports received will be reviewed and any steps that may be necessary will be initiated.

In September 2018, Encavis additionally introduced an electronic whistleblowing system for the Encavis Group with a view to preserving the values that guide the actions and dealings with colleagues, business partners and investors. At the same time, the whistleblowing system is designed to support the effective and sustainable prevention of violations of laws and regulations. The whistleblowing system is part of the Encavis compliance management organisation and fulfils the requirements of the current German Corporate Governance Code.

More specifically, the whistleblowing system is an internet-based communication platform, also referred to as “Safe Channel”. Employees of Encavis, business partners and suppliers may use the channel to report the detection of white-collar crime and activities that are harmful to the company. The whistle blowers themselves decide whether they want to remain anonymous or whether they want to report by name. In 2021, the whistleblowing system was placed much more prominently than before on the Encavis website.

The whistleblowing system is currently available in two languages (German and English). It is accessible from any internet-enabled PC and works like an electronic mailbox. This enables a confidential online dialogue between the whistle blower and the person processing the reports received. A report made by a whistle blower will be forwarded to the Legal (Corporate & Compliance) Department, which is responsible for confidential processing.

Each report is carefully checked for its factual content. Whenever there are reasonable grounds for suspicion, we will initiate further measures. The main purpose of the whistle blower portal is to identify and prevent

significant risks for Encavis. These include, for example, corruption offences, competition violations or fraud. In the event of reports relating to general employment law issues, employees are asked to first contact their supervisor and/or the Human Resources Department in confidence.

Suspecting another person may have serious consequences for that person. The whistle blower portal should therefore be used responsibly. Whistle blowers are asked to disclose only information of whose accuracy they are convinced. The whistle blower portal may not be used to knowingly report false or defamatory information. Regardless of the above, employees still have the possibility to directly approach a person of trust in the immediate working environment if they suspect actions that are detrimental to the company or in the event of violations of internal directives and/or instructions. No such complaints were made public in 2021, and the company did not have to initiate any internal investigations.

Knowledge is the best prevention: compliance training

In 2021, all employees of Encavis AG took part in compliance training. Compliance training focuses primarily on data protection issues. The training is two hours per person. Compliance with antitrust law is ensured by the internal Legal Department. In general, Encavis has little exposure to antitrust law because of its business model. The issue is not part of staff training.

KYC – preventing corruption and money laundering

→ GRI 205-1, 205-2, 205-3

The prevention of corruption and money laundering is another issue monitored by the Legal Department. All employees as well as the members of the Management Board have been informed about the organisation's anti-corruption guidelines and procedures. So far, there has been no explicit training on anti-corruption issues. No potential incidents of corruption were reported in 2021.

Existing processes are evaluated and further developed, e. g. by means of independent KYC inquiry processes before a transaction is entered into with a business partner.

→ GRI 206-1, 415-1

In the reporting year 2021, there were no legal actions due to anti-competitive behaviour or violations of antitrust and monopoly law in which Encavis was an involved party. No political contributions – neither cash nor non-cash contributions – were made.

Certified data protection and IT security

Group IT/IT Security has several main areas of activity: these include the preparation of Group-wide IT security guidelines, the implementation of security checks and audits in the companies, training and information measures to raise employee awareness and the qualification of security officers in the Group entities.

In the area of data protection and IT security, certification was carried out by “VdS Schadenverhütung” on Information Security (VdS 10000 Office-IT) and Data Protection (VdS 10010). Externally, compliance-related processes are reviewed in the context of the annual Group audit.

Solar park Talayuela
(300 MWp, Spain)



Supply chain responsibility

→ GRI 3-3 RESPONSIBILITY IN THE VALUE CHAIN, 2-24, 204-1

Corporate responsibility does not end on your own doorstep. Instead, it is important to take a holistic view and to exercise due diligence along the supply chain. By joining the UN Global Compact, Encavis has reaffirmed its position regarding compliance with labour and human rights.

Encavis has set itself the goal of living up to this responsibility to an even greater extent in the future. Consequently, a Business Partner Code of Conduct (BPCoC) has been developed, which comprises standards and criteria in the fields of the environment and climate as well as social and business ethics and focuses on issues such as occupational safety, labour standards, fight against corruption, bribery, and adverse environmental impacts. The BPCoC is to be rolled out in the second quarter of 2022 and will be the benchmark for all business relationships entered into in the future.

Our supply chains in the upstream and downstream phases of our value creation structure – project planning, procurement of raw materials and plant construction as well as sale/dismantling or re-powering – include capital goods, consumer goods, raw materials and services. When selecting direct partners, most of whom come from European countries, we attach great importance to reliability, quality, innovative strength, cost structure, economic stability, sustainability, and compliance. More detailed information on our value creation structure can be found on the initial overview pages of this report on [page three](#).

The BPCoC is incorporated into material contractual relationships and must be recognised by the business partner. The business partner guarantees compliance with legal standards and acceptance of agreements such as the Paris Climate Agreement, etc. Possible violations may be punished, including termination of the business relationship.

Human rights

→ GRI 2-28, 408-1, 409-1

Encavis' locations are situated exclusively in Europe. The majority of direct suppliers comes from North America or the EU, where compliance with human rights is governed by local and European laws. The risk of human rights violations in the direct sphere of influence of Encavis' value creation appears to be low. We nevertheless attach great importance to sharing and filling with life the indisputable principles associated with this issue also in our cooperation with business partners.

Compliance with laws as well as with general and internationally recognised standards is the indispensable basis of any business relationship. The principles to which Encavis has committed itself and which it also demands from its business partners include the prohibition of child and forced labour, freedom of association, the fight against discrimination, harassment, and abuse as well as compliance with occupational safety standards, fair working hours and fair pay for employees. Another principle is an appreciative working atmosphere. All these aspects are reflected in the Encavis Business Partner Code of Conduct.

In addition, further analyses of the risk of human rights violations along upstream and downstream stages of the value and supply chains are planned as part of establishing the company's sustainability work. Should risks relating to the violation of human rights be identified in this context, Encavis will take steps to adequately counter these risks.

The relocation of supply chains and the building up of European production capacities is a medium to long-term task that cannot be implemented ad hoc. As a member of the German Solar Association (Bundesverband Solarwirtschaft), we are convinced that we can and must increase transparency in global supply chains with the support of the German government and the EU Commission.

Labour and environmental standards in the supply chain

→ GRI 308-1

When commissioning service providers in the wind and solar parks, Encavis attaches great importance to high standards already when initiating a possible cooperation.

The analysis of new service providers also includes an assessment of their responsible attitude in complying with labour law and working conditions. Encavis' employees are required to consider these aspects in their decision-making processes before signing contracts. Some service provider contracts for the maintenance and technical operation of the parks contain clauses that oblige business partners to comply with environmental, safety and labour standards.

Long-term contracts with specialised technical operators and maintenance companies ensure consistently high safety and quality standards. Specialised maintenance services are in many cases provided by the manufacturers of the plants.

Encavis' energy parks have remote access management for service providers. When arriving at the wind and solar parks, the latter must log in to the responsible technical operators via a remote access system and log out again when leaving the parks. In addition, a safety briefing must be completed before entering a park for the first time.

The safety measures are evaluated at regular intervals. To this end, a constant exchange and joint evaluation take place with all service providers in order to identify and avoid safety risks at an early stage.

So far, occupational accidents of service providers in the wind and solar parks of Encavis have not been systematically recorded. However, the technical operators are informed of occupational accidents at the parks and must report occupational accidents with significant consequences to the responsible department. Thanks to the extensive safety measures and training, occupational accidents with significant consequences occur rarely. Since the change of name to Encavis AG in 2018, no work-related fatalities at the wind and solar parks have been reported to Encavis.

Encavis is aware of its responsibility in the area of occupational safety also towards service providers and their employees. In the context of the company's sustainability activities, existing structures are analysed and evaluated also in this field of action. It goes without saying that further reporting and management processes have top priority wherever necessary.

Environmentally and climate-friendly production is important to Encavis also along the value chain. Many suppliers and service providers along the value chain such as manufacturers of wind turbines and photovoltaic systems meet high environmental standards and hold certificates from various institutes. As part of our sustainability efforts, we are increasingly evaluating these and will incorporate the results into improved processes in the future.

→ GRI 308-2, 414-2

In the reporting year 2021, we did not identify any significant actual or potential negative environmental impacts or social impacts at any of our suppliers. Nor were any negative actual or potential environmental impacts in the supply chain identified.



Inspection and efficiency check of wind turbine

PEOPLE

WE'RE ALL IN

Being a dynamic and future-oriented company, Encavis offers its employees an interesting working environment in the renewable energy sector. The personal and professional development of its employees as well as their satisfaction is a top priority at Encavis. We also attach great importance to giving back to society and to making a positive contribution above and beyond corporate boundaries.



We keep a comprehensive record of our social performance in line with the integrated, sustainable Group strategy to continuously

develop and improve. To achieve our ambitious goals, we implemented comprehensive measures in 2021 and will continue to work together

to ensure the satisfaction and skills of our employees and make a positive contribution to society.

Social	Goal	Status	Measures
Employee satisfaction	Ensure employee satisfaction	→	<p>Implemented in 2021:</p> <ul style="list-style-type: none"> - Four surveys conducted to determine employee satisfaction - Successful roll-out of the mobile office concept in October 2021 - Ongoing review of corporate benefits, especially in the area of health and wellbeing <p>Measures for 2022:</p> <ul style="list-style-type: none"> - Performance of several “pulse checks” during the year, subsequent analysis and derivation of measures and activities and determination of new measures, if necessary - Planning, organisation and implementation of a digital health week - Planning, organisation and implementation of a Group event in the summer - Payment of a voluntary COVID-19 bonus
Human resources development and employee skills and expertise	Promote employee expertise	→	<p>Implemented in 2021:</p> <ul style="list-style-type: none"> - In addition to individually agreed further training, courses, programmes, and training in the fields of project management, languages, D&O, negotiating skills and personal development were organised - Ongoing review and, if necessary, optimisation of individual HR development by making high-quality internal and external offers - Ongoing review and, if necessary, adjustment of the further training offer for employees <p>Measures for 2022:</p> <ul style="list-style-type: none"> - Relaunch of the Personal Development Programme - Relaunch of the Leadership Programme - Continuation of the “Lunch & Learn” activities - Individual staff coaching - Ongoing review and, if necessary, optimisation of individual HR development by making high-quality internal and external offers - Ongoing review and, if necessary, adjustment of the further training offer for employees - Individual advice by HR for tailor-made further training offers

✓ 100% accomplished → On track + New goal



Social	Goal	Status	Measures
Social acceptance and positive contribution of the Encavis Group	Increase the social and political relevance of the Encavis Group Annual implementation of a "Giving Back Week"	→	Implemented in 2021: - As part of a long-term cooperation, Encavis has supported the charitable aid organisation "Sopowerful" since July 2021 - "Giving Back Week" at both company locations in October 2021 Measures for 2022: - Develop a new stakeholder-based communication concept - Participate in two charity runs - Organise and implement another "Giving Back Week"

✓ 100% accomplished → On track + New goal



Inspection at wind park Grevenbroich (7.50 MW, Germany)

Lending a helping hand in solar park Ermelo Schaapsdijk (7.85 MWp, Netherlands)

Our employees

Calculated in accordance with Section 267 (5) of the German Commercial Code, the Encavis Group employed 144 people at its locations in Hamburg and Neubiberg near Munich as of the end of 2021. This calculation does not include employees on parental leave, trainees, and apprentices. Including these groups – apart from the members of the Management Boards of Encavis AG and Encavis Asset Management AG – the number of employees is 154, 66 of whom are women and 88 are men. A total of 143 employees have permanent employment contracts, while eleven have limited contracts (eight of whom are student assistants) and 31 are working part-time. At the present time, no persons are employed on a subcontracted basis.

In view of the high labour and legal standards in Germany and the European Union and of Encavis AG's business model, there are no risks of human rights violations and violations of labour law – such as child and forced labour or the suppression of freedom of association.



Colleagues from Neubiberg in action at the "Münchner Tafel" during our "Giving Back Week"

Employee figures

→ GRI 2-7

	2020	2021
Total number of employees	134	144
by gender	female: 57, male: 77	female: 58, male: 86
by region	Hamburg: 87, Neubiberg: 47	Hamburg: 87, Neubiberg: 57
Total number of permanent employees	127	136
by gender	female: 55, male: 72	female: 55, male: 81
by region	Hamburg: 86, Neubiberg: 41	Hamburg: 86, Neubiberg: 50
Total number of temporary employees	7 student assistants	8 student assistants and 3 temporary employees
by gender	female: 2, male: 5	female: 4, male: 4
by region	Hamburg: 1, Neubiberg: 6	Hamburg: 4, Neubiberg: 4
Total number of non-guaranteed hours employees	Hamburg: 2 temporary employees, Neubiberg: 1 assistant	0
by gender	female: 0, male: 3	0
by region	Hamburg: 2 temporary workers, Neubiberg: 1 assistant	0
Total number of full-time employees	108	117
by gender	female: 39, male: 69	female: 39, male: 78
by region	Hamburg: 77, Neubiberg: 31	Hamburg: 80, Neubiberg: 37
Total number of part-time employees	26 (incl. 7 student assistants)	27 (incl. 8 student assistants)
by gender	female: 18, male: 8	female: 19, male: 8
by region	Hamburg: 10, Neubiberg: 16	Hamburg: 7, Neubiberg: 20
Describe the methodologies and assumptions used to compile the data, including whether the numbers are reported in head count, full-time equivalent (FTE), or using another methodology	In headcount without board members, parental leave, trainees and interns, but with student assistants	In headcount without board members, parental leave, trainees and interns, but with student assistants
Describe the methodologies and assumptions used to compile the data, including: at the end of the reporting period, as an average across the reporting period, or using another methodology	End of reporting period as of 31.12.2020	End of reporting period as of 31.12.2021



→ GRI 2-8, 403-9

In the reporting year 2021, two free-lancers advised Encavis on the topic of new build & technology. The number of hours worked by the freelancers was 3,072 (on 256 working days).

→ GRI 202-2

At least 72 percent of the managers hired in Hamburg and Neubiberg come from the local community (i. e. Hamburg or Bavaria and neighbouring federal states).

New employees and employee turnover

→ GRI 401-1

	2019	2020	2021
Total number and rate of new employee hires during the reporting period, by age group, gender and region			
by gender	female: 24, male: 22	female: 12, male: 19	female: 13, male: 13
by region	Hamburg: 30, Neubiberg: 16	Hamburg: 18, Neubiberg: 13	Hamburg: 12, Neubiberg: 14
by age group			<30: 12, 30-50: 14, >50: 0
Total number and rate of employee turnover during the reporting period	Encavis AG: 17.9% (excluding Management Board members, student assistants, interns, including trainees and apprentices/dual students)	Total Group: 10.5% (excluding Management Board members, student assistants, interns, including trainees and apprentices/dual students)	Total Group: 9.4% (excluding Management Board members, student assistants, interns, including trainees and apprentices/dual students)

Employee satisfaction

→ GRI 3-3 EMPLOYEE SATISFACTION

In addition to a standard market salary on a negotiated basis, employees enjoy numerous benefits. These include, for instance, the full refund of the cost of public transport at both locations.

The “job bike” programme that we have developed as part of the mobility concept is well received. Under this programme, employees are given the opportunity to rent a “job bike”. Encavis pays a part of the monthly fees, thus making an active contribution to environmental protection, traffic optimisation and health. Since its introduction in 2020, 34 employees have already configured their “job bike”.

To maintain employees’ mental health, Encavis offers an “Employee Assistance Programme” in cooperation with the Fürstenberg Institute. The programme supports employees, for instance, in caring for family members by arranging day care or nursing places; an emergency childcare service and psychosocial counselling are also provided.

In 2021, we conducted four surveys to determine employee satisfaction. These covered the four aspects of personal mood, productivity in the mobile office, job satisfaction and recommendation as an employer. The surveys consistently achieved high participation rates and good results. The rate of employees that would recommend Encavis as an employer is particularly noteworthy. The net promoter score was consistently above 86 percent.

To keep employee satisfaction at a high level, Encavis will continue to offer the benefits provided and optimise them where necessary.

Future working world at Encavis: Work/life balance

Encavis promotes a good work-life balance and, to this end, developed the “future working world at Encavis” model in close cooperation with its employees in 2021. The mobile office concept was rolled out in autumn. It offers the possibility to optimally combine work and private life thanks to a hybrid model and still ensure personal contacts at the office. Employees may spend up to 50 percent of desk workdays in the mobile office. This also includes other EU countries. The concept is characterised by a high degree of flexibility and is very well received by employees and potential applicants.

Relocation concept

Encavis has established a relocation concept for new employees who do not come from Hamburg or Munich. This comprises financial and organisational support for relocations, finding accommodation and coping with the new environment. This allows employees to focus on their new job and their new environment. In addition, onboarding sessions are organised so that they can get to know their colleagues and the company, making it easier for them to establish contacts.

Spotify #soundslikeencavis

What does Encavis actually “sound like”? New employees are sent the Spotify playlist before they start at Encavis so that they can “listen in” on Encavis. This creates a sense of belonging even before the official onboarding and increases the anticipation of starting at Encavis. The songs on the playlist are suggested by colleagues. So, there is plenty to talk about.

Racing bike team

Encavis attaches great importance to team spirit also outside working hours. Our racing bike team was formed in 2017. Since then, it has grown steadily to now 20 people. Whether it’s cycling through Hamburg after work,

through the Harz mountains at the weekend or once a year through Tuscany on a big tour – fun and team spirit always come along.

Employee development and talent management

→ GRI 3-3 HR DEVELOPMENT AND EMPLOYEE SKILLS, 404-2, 404-3

Whether it’s the Personal Development Programme (PDP), further training courses or individualised development measures – Encavis’ employees appreciate the opportunity to grow and learn within the company and to move in the desired direction. This has been proven by many internal promotions and interdisciplinary development. All our employees received regular performance and career development reviews within their personal feedback talks in the reporting period.

The individualised employee development measures through high-quality internal and external training and development opportunities as well as the coaching programme for (junior) managers are continuously reviewed and optimised as necessary. Each of our employees benefits from individualised further training opportunities with a fixed budget.

Manager conferences

The manager conferences are an opportunity for exchange and team building. Current and strategic internal business aspects as well as leadership topics are discussed at the conferences. In 2021, two virtual conferences were held. The highlight was the third conference, which was held as a physical event. This was the first “real” get-together that provided an opportunity for personal exchange again since the outbreak of the COVID-19 pandemic. For some new managers, this was the first personal meeting.

Personal Development Programme (PDP)

A total of 24 colleagues completed the Personal Development Programme in 2021. Over a period of one and a half years, the participants focused on their personal development in a total of four modules. Through this programme, Encavis helps its employees face the challenges of tomorrow and thus actively shape the future of the Encavis Group together. The physical meetings enabled the participants to expand their network within the company and get to know each other. The programme hence also contributes to our corporate culture, where we all enjoy working and treat each other with respect and trust.

Dual and part-time study programme

With a view to promoting young talent, a dual study programme was successfully introduced in 2021. As part of this degree programme, students work in various departments where they acquire extensive knowledge, which is supplemented by university study blocks. Encavis also supports the possibility to study abroad for a semester. In addition, we support employees who study part time (financially or by time off), provided the study programme is professionally related to the employee’s job.

“Top career opportunities for women” award

Encavis has received the “Top career opportunities for women” award from Focus and Focus Money magazines.



Manager conference
in October 2021



Training and education

→ GRI 401-1

	2019	2020	2021
Average hours of training that the organisation's employees have undertaken during the reporting period, by: gender (excluding student assistants)			
Female	55 employees = 880 hours	55 employees = 880 hours	55 employees = 880 hours
Male	70 employees = 1,120 hours	72 employees = 1,152 hours	81 employees = 1,296 hours
Average hours of training that the organisation's employees have undertaken during the reporting period, by: employee category (excluding student assistants)			
Managers	24 persons = 384 hours	25 persons = 400 hours	26 persons = 416 hours
Employees	101 persons = 1,616 hours	102 persons = 1,632 hours	110 persons = 1,760 hours

Diversity and equal opportunities

→ GRI 405-1, 406-1, 401-3

Encavis is committed to diversity and rejects any form of discrimination in dealings with each other.

	2021
Percentage of individuals on the Supervisory Board in each of the following diversity categories: gender	Female: 11% Male: 89%
Age group 'under 30 years old'	0%
Age group '30-50 years old'	0%
Age group 'over 50 years old'	100%
Percentage of employees per employee category in each of the following diversity categories: gender	Female: 40.3% Male: 59.7%
Age group 'under 30 years old'	32 (22%)
Age group '30-50 years old'	101 (70%)
Age group 'over 50 years old'	11 (8%)

All employees of Encavis are entitled to parental leave. In the reporting year 2021, 15 women and two men took parental leave. Seven women and one man returned to work after completing parental leave in the reporting period. This corresponds to a return-to-work rate of 87.5 percent for women and 100 percent for men.



→ GRI 407-1

There were no restrictions on freedom of association during the reporting period.

Occupational health and safety

Above and beyond the understanding of values, it goes without saying that Encavis and its business partners are subject to all legal requirements and guidelines on occupational health and safety in the countries of the individual locations.

→ GRI 403-1, 403-8

We are continuously developing our occupational safety management system. A comprehensive occupational safety concept is an integral element of this system. Under this concept, all Encavis employees receive occupational training on health and safety at work and VDU work, first when they join the company and thereafter at annual intervals. Employees in commercial and administrative (management) positions mainly perform office work. In addition, they visit wind or solar parks or make business trips. The potential

physical and psychological risks associated with the above activities are known but are low. For occupational health and safety at Encavis, we use the integrated e-learning tool PreSys 2.0. Non-employees are not covered by the occupational health and safety e-learning tool.

→ GRI 403-4, 403-5

Encavis' Safety Officer discusses current health and safety issues with the Encavis Office Management on a weekly basis. Our employees receive regular first-aid and fire safety training. The occupational health examination G41 "Work involving a danger of falling" is carried out or repeated every three years as required.

→ GRI 403-2, 403-3, 403-9

We evaluate risks on an ongoing basis, including during annual site inspections. If necessary, we take appropriate measures. In the reporting year 2021, risk assessments of rooms and buildings as well as VDU and office work and corresponding protective measures were evaluated. The number of work-related illnesses and occupational accidents is regularly in the low to non-existent range. In 2021, there were no workplace accidents entailing significant absenteeism and no work-related fatalities.

→ GRI 403-6

Our employees have access to digital health counselling services and can get personal advice via the online portal or 24-hour hotline of the Employee Assistance Programme offered in cooperation with the Fürstenberg Institute. The "job bike" programme described in the "Our employees" chapter and participations in charity runs also contribute to promoting our employees' health.

To be on the safe side, Encavis has taken out a Group accident insurance policy for all employees, as well as an international health insurance policy which covers not only professional life but also private life. Through a partnership with ITUS, employees are also given access to a company pension scheme. In addition, luggage insurance for business trips has been taken out, which provides for replacement in the event of loss or damage.

Corporate citizenship

→ GRI 3-3 SOCIAL ACCEPTANCE AND POSITIVE CONTRIBUTION OF THE ENCAVIS GROUP

Encavis is committed to giving back to society in the long term. The company is therefore evaluating partnerships with non-profit organisations with the aim of entering long-term partnerships.

A satisfied team after cleaning up the clothing store at the Arche in Hamburg-Billstedt



Giving Back Week

In autumn 2021, Encavis organised its first “Giving Back Week”. As a company, Encavis wants to give back to the community. Local associations were therefore selected in both Hamburg and Neubiberg, where employees had the opportunity to participate in various projects (spread over a week) on a voluntary basis.

The projects ranged from collecting rubbish, helping with food sorting and distribution at various food banks in Munich and helping the homeless at Alimaus in Hamburg to childcare and renovation work at “Die Arche” and helping with the relocation of a second-hand shop to donations of goods and clothes. All projects required teamwork. The feedback from all participants was consistently positive.



Encavis in action for a nice and tidy Hamburg

Support for non-profit solar projects in Africa

As part of a long-term cooperation, Encavis has supported the “Sopowerful” aid organisation since 2021. The latter is driving the development and implementation of small solar projects in Southeast Africa, where the electrification rate in rural areas is just five percent. The initiative focuses on improving health care, access to water and education in line with the UN Sustainable Development Goals (SDGs). The construction of small solar plants provides reliable low-emission power supply for lighting and the storage of medicines and vaccines. Solar-powered pumps provide running water and the use of solar power for educational facilities opens up new opportunities for reading and learning.

The “Sopowerful” aid organisation, which works according to the motto “Solar where it matters most”, was chosen after an intensive selection process, including a survey among Encavis’ employees.

Solar power now enables running water at Mua Hospital



Children at the Kudziwa Center for Knowledge in Mangochi (Malawi) can now receive teaching on PC's and laptops, something which was not possible without electricity from Solar power



Solar powered irrigation in Mangochi, one of the driest areas of Malawi, enables agriculture during the whole year

ENVIRONMENT

WE LEFT BASE CAMP

In accordance with our business model, we want to make a positive contribution to the protection of nature and the environment. Encavis is committed to pushing ahead the fight against climate change by identifying further potential for carbon savings. Moreover, the company aims to optimise its resource consumption to achieve a sustainable increase in efficiency.



Environmental responsibility is the driving force behind our actions. We have set ourselves far-reaching goals and have drawn up concrete action plans for more environmental protection and the fight against climate change.

Environment	Goal	Status	Measures
Fight against climate change	Increase share of green electricity purchases to 100% by the end of 2022	→	Implemented in 2021: - Conversion to about 82% green electricity Measures for 2022: - Increase share of green electricity purchases to 100% in our direct sphere of influence by the end of 2022
	Prepare a comprehensive Encavis carbon footprint by the end of 2025	✓	Implemented in 2021: - Development, budgeting, and approval of the “Encavis carbon footprint” project - Preparation of the first carbon footprint
	Prepare annual carbon footprint in accordance with the GHG Protocol	+	Measures for 2022: - Develop a pilot project to ensure better data quality of Scope 3 emissions - Improve the availability of fundamental data
	Maximise our positive climate contribution through ongoing implementation and expand environmental and climate protection measures	→	Implemented in 2021: - If no general cleaning intervals for solar parks are defined in the contract, employees check how dirty the modules are and decide on a case-by-case basis whether cleaning is necessary (e. g. Solar Deutschland) Measures for 2022: - Continuous examination of possible measures for carbon reduction along the value chain

✓ 100% accomplished → On track + New goal

Environment	Goal	Status	Measures
Sustainable increase in the efficiency of existing wind and solar parks	Determination of the estimated average water consumption per MWh for all parks by the end of 2021	✓	Implemented in 2021: - Estimation of water consumption Measure for 2022: - Examine new possibilities for water savings and wastewater treatment in solar parks
	Review potential water savings per sqm of PV surface by the end of 2022	+	
	Update and calibrate the yield reports for all solar parks by the end of 2021	✓	Implemented in 2021: - Entry of the data in Encavis' system landscape Measure for 2022: - Future scenario calculations based on production probabilities
	Define and set a target for systematic environmental management by the end of 2021	→	Measure for 2022: - Ongoing review of technical optimisation and modernisation measures
	Integrate the environmental management system into an integrated ESG tool by the end of 2022	+	
Biodiversity	Develop a biodiversity strategy and define a target for increasing biodiversity by the end of 2025	→	Implemented in 2021: - Evaluation of the biodiversity lighthouse project (Solarpark Enerstroom) in the Netherlands, where it unfortunately turned out that both the concept and the offer of the greenkeeper were not convincing. - Development of a pilot project for a German solar park: here it was examined which measures can generally be implemented to increase biodiversity and which measures can be reasonably implemented. Measure for 2022: - Implementation of a solar park pilot project

✓ 100% accomplished → On track + New goal

Help in the fight against climate change through carbon reduction

→ GRI 3-3 FIGHT AGAINST CLIMATE CHANGE, 305-1, 305-2, 305-3, 305-4

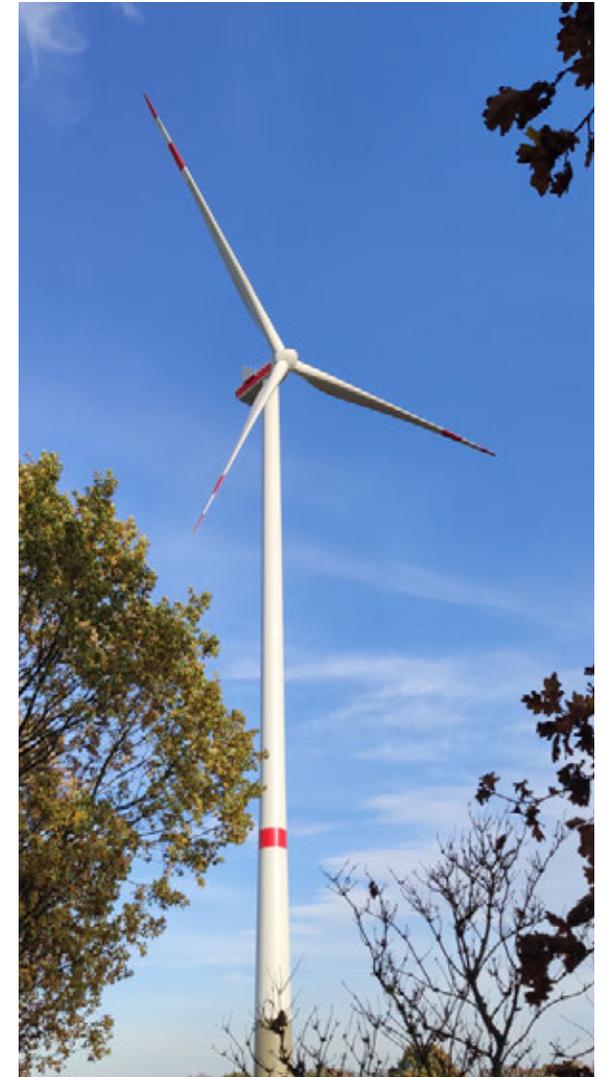
The aim of Encavis' core business is to save carbon in the generation of electricity. Encavis' current portfolio saves around 1.382 million tons of carbon per year.

Against this background, it is important for Encavis to also record and reduce the carbon emissions caused by its own business activities. To this end, the "Encavis carbon footprint" project was initiated at the beginning of 2021 with the aim of determining the corporate carbon footprint (CCF) for Scope 1, 2 and 3 for the financial year 2020. By making this carbon footprint public, we want to create transparency. The calculation of the CCF also allows us to define realistic climate goals and appropriate measures for carbon reduction.

Our carbon footprint

We developed the carbon footprint together with the Institute for Energy, Ecology and Economy (DFGE), a spin-off from Munich Technical University, which has been carrying out life cycle assessments and sustainability calculations for more than two decades. The calculated CCF reflects all company-related greenhouse gas emissions in CO₂ equivalents and complies with the standards of the Greenhouse Gas (GHG) Protocol, a globally recognised instrument for reporting greenhouse gas emissions.

Wind park Warnsdorf
(43.2 MW, Germany)



Scope of the carbon footprint

The Encavis carbon footprint covers our 95 wind parks, 42 of which are owned by Encavis AG (AG) and 53 by Encavis Asset Management AG (EAM), as well as 200 solar parks, 166 of which are owned by AG and 34 by EAM, as well as our two office locations in Hamburg and Neubiberg, including 18 company vehicles. For the parks of Encavis Asset Management AG, only the carbon emissions generated during the operation of the facilities (power supply, maintenance, disposal) are considered, whereas Encavis AG's parks are additionally taken into account as capital goods in accordance with the GHG Protocol. This means that the carbon emissions released during manufacture and erection of these plants are included in the carbon footprint.

Assumptions for the calculation

- » In accordance with the recommendations of the Scientific Based Targets Initiative (SBTi), the internationally recognised standard for science-based emission reduction targets, capital assets are fully accounted for in the year of acquisition. This means that carbon emissions from the manufacture and erection of older plants that were added to the portfolio before 2020 are not considered in the 2020 carbon footprint. Since AG made relatively high investments in 2020 (30 percent increase in the rated output of the solar plants), the corporate carbon footprint for the year 2020 is not representative.
 - » The carbon emissions resulting from the production and maintenance as well as disposal of our solar parks were calculated on the basis of literature values, as no primary data were available at the time of the calculation.
 - » We set the distribution of monocrystalline and polycrystalline PV systems in the portfolio at 65 percent polycrystalline and 35 percent monocrystalline, as this corresponds to the average global distribution.¹ The CO₂ equivalents of monocrystalline PV systems were set close to 50 percent higher than those of polycrystalline systems.¹
 - » For the solar parks, we assume 6 sqm per 1 kWp (rated capacity), as almost 50 percent of the PV plants are located at excellent sites in southern regions. What is more, monocrystalline PV plants generate a higher output than polycrystalline systems and are considered accordingly.
 - » For the countries of manufacture of the PV systems in the portfolio, we based our calculation on global production by region, i. e. the emission factors were calculated proportionately according to country of origin.
- There are significant differences between emission factors depending on the country of manufacture. Accounting for almost 64 percent of global production, China is a leading manufacturer of PV systems, but is the least climate friendly compared to the other regions.¹ This was taken into account in the proportionate calculation.
- » The emissions from the manufacture, use and disposal/recycling of the wind turbines were calculated on the basis of the DFG database. Thanks to many years of data collection and updating, the data are verified and thus offer a higher data quality compared to the PV plants.
 - » We assume that Encavis employees commute an average one-way distance of 20 kilometres to their workplace in a representative year. 50 percent commute by car, 40 percent by public transport and 10 percent on foot or by bike.
 - » Geothermal energy at the Hamburg site was estimated based on the area of office space used by Encavis in square metres.

¹ Federal Environment Agency (2021); Final report - Update and assessment of life cycle assessments of wind energy and photovoltaic plants taking into account current technology developments

Encavis corporate carbon footprint (CCF)

Scope 1 of our CCF covers the use of our vehicles. Scope 2 includes our electricity and heat consumption at the office locations as well as for plant operations. Scope 3 covers various upstream greenhouse gas emissions: purchased goods and services, capital goods, fuel and energy-related emissions (which are not included in Scope 1 or 2), transport and distribution (upstream), waste, business travel and the commuting of our employees. For a comprehensive graphical representation of our value chain and the carbon emissions generated in the three Scopes, please see [page three](#).

Most of our carbon emissions occur during the manufacture and installation of the solar systems – i. e. our Scope 3 – as illustrated by the following overview:

SCOPE	t CO ₂ e
Scope 1	20
Scope 2	4,744
Purchased electricity (market-based)	4,732
Purchased thermal energy	12
Scope 3	553,880
Business trips	67
Capital goods	550,063
Solar parks	537,996
Wind parks	12,067
Commuting of employees	77
Fuel and energy-related emissions (not included in Scope 1 or 2)	757
Purchased goods and services	235
Transport and distribution (upstream)	2,252
Logistic road WEA	2,034
Logistic ocean WEA	161
Installations WEA	57
Waste resulting from own business activities	430
Total result	558,644

In relation to the amount of electricity generated by our plants in 2020, our carbon footprint thus amounts to 156 tons of CO₂e/GWh.

With 550,063 tons of CO₂e, capital goods, i. e. the energy parks directly held by Encavis AG, account for most of our total emissions. Of this total, 537,996 tons relate to solar parks. The estimated range of inaccuracy is +/- 16–30 percent. Given the general uncertainties in such a calculation, this result can be considered satisfactory for the intended purpose – i. e. to provide an initial overview of corporate emissions and the largest polluters. We will strive to improve data quality for next year.

Outlook

To be able to determine our footprint more accurately in the future, we are working to improve the quality of the data. More specifically, this means that we collect primary data of the wind and solar parks (module surface, plant type/technology). We also want to record the consumption of company cars more precisely and analyse the commuting behaviour of employees with the help of surveys. In addition, we will determine the consumption of district heat (geothermal energy) more precisely. As part of the development of a climate strategy, we want to define relevant KPIs and derive potential for reduction. A potential membership of the Science Based Target Initiative is also being considered.

Wind park Huikku
(5.5 MW, Finland)



Sustainable increase in efficiency

How can Encavis achieve a further sustainable increase in the efficiency of its wind and solar parks? How can the contribution to biodiversity conservation be improved and the careful use of resources be promoted? We are addressing these issues by constantly reviewing environmental, economic and social measures to increase efficiency in the wind and solar parks.

Environmental compatibility of wind and solar parks

→ GRI 3-3 SUSTAINABLE INCREASE IN THE EFFICIENCY OF EXISTING PARKS, 3-3 BIODIVERSITY, 2-25, 304-1, 304-2, 304-3, 304-4

The core objective of Encavis' business activities is to invest in and to enable investment in the energy transition. Encavis focuses exclusively on on-shore plants when acquiring wind parks, as well as on ground-mounted photovoltaic systems in Europe.

Most of these are ready-to-build or completed plants. The selection of sites, environmental, social and building inspections as well as the fulfilment of requirements are mostly carried out by project partners before the parks are acquired by Encavis.

All wind and solar parks of Encavis are subject to the high legal and normative standards of the European Economic Area. This means that aspects of environmental protection and nature conservation as well as the impact on the population are closely examined in the context of land use planning already before the plants are acquired. The results of this analysis are considered in all construction decisions. The Federal Immission Control Act (BImSchG) usually does not permit the construction of solar and wind parks in protected areas. In Germany, wind and solar parks may therefore be built only if they do not affect the habitat of endangered animals. If necessary, affected wind parks may have to be shut down subsequently at certain times of the day and/or year so that the animals are not disturbed in their habitat.

The measures resulting from these comprehensive environmental impact assessments may be diverse: they include, for example, the creation of compensation areas for nature conservation, night-time operation at reduced capacity, demand-optimised control of the night identification of wind turbines or shut-down algorithms for the protection of bats or certain bird species.

The large number of locations and the local characteristics result in extremely diverse requirements for wind and solar plants. Potential measures for environmental and climate protection cover a broad spectrum. The involvement of local residents, e. g. through dialogues with citizens, usually takes place in the project planning phase before Encavis gains direct influence. Despite the above, it is in the interest of Encavis to acquire projects which permit to achieve the ambitious climate protection targets and keep the impact on nature and people to a minimum. This applies to both wind parks and solar parks.

In total, our solar parks (ground-mounted photovoltaic systems) make a significant contribution to promoting biodiversity and species diversity. They serve as a kind of “biodiversity island” and provide a habitat for plants and animals that live and thrive here relatively undisturbed compared to agricultural land mostly dominated by monocultures. The creation of extensive permanent grassland supports the very important insect abundance and thus provides a vital source of food for many bird species.

Encavis is doing everything it can to further promote these positive environmental side effects of its solar plants. We will continuously analyse alternative options for green maintenance of the plants as well as further projects to improve biodiversity in the parks. The results will then be incorporated into a dedicated biodiversity strategy.

Budel solar park: a park with great biodiversity

In 2021, our Budel solar park made second place out of 25 in the independent biodiversity study of Wageningen University (Netherlands). The study analysed the impact of the explosive growth of solar parks on agriculture, the soil,

biodiversity, and the landscape. For this purpose, the technical characteristics of all solar parks included in the study were recorded. In addition, the solar parks were categorised according to numerous criteria, including soil properties and the previous use of the land. The biodiversity of each park was determined based on the number of plant species as well as the less common and rare plant species among them.

Scientists have classified the Budel solar park as a “park with great biodiversity”. The park was built on land previously used by a zinc smelter. Zinc basins are, on the one hand, very suitable for large solar parks from a landscape and spatial point of view, while, on the other hand, it is hardly possible to use the soils polluted by industry for other purposes. The mowing and removal of grass cuttings before the construction of the solar park has resulted in a flourishing, not too high vegetation with a rich flora as well as many insects, birds (including skylarks) and mammals (including deer and wild boars). The management of the fauna is explicitly geared to the needs of the wild animals.



Six bee colonies inhabit the solar park Avonles-Roches in France

Bees to increase biodiversity

As already repeatedly mentioned, we attach great importance to increasing the biodiversity in our solar parks. Another step towards achieving this was taken at the beginning of the year when we gave six bee colonies a new home in the French solar park Avon-les-Roches. The bees have meanwhile settled in well and are feeling very much at home in the solar park. Together with the other insects and natural influences, the bee colonies are now helping to increase the local biodiversity by pollinating the existing plants (grasses and herbs) in their surroundings. And the employees of the solar park are enjoying their wonderful honey.

Sustainable action – also in everyday office life

Encavis attaches great importance to sustainability not only in its wind and solar parks. Our Sustainability Task Force has already initiated numerous measures in the area of office management:

- » At meetings and conferences, the company exclusively serves fair trade coffee and tea, with part of the coffee coming from inclusive coffee roasters.
- » The offices are cleaned using climate-friendly cleaning agents.
- » Climate-friendly office materials are used as far as possible and office materials, e. g. empty printer cartridges, are disposed in a sustainable manner.
- » All waste is separated and disposed of accordingly.

- » At the Hamburg location, no water bottles are used; instead, filtered tap water is served and consumed. The employees receive a personal drinking bottle made of glass for this purpose.
- » As part of the mobile office concept, every employee is provided with a smartphone. Every smartphone is protected by a cover made of 100 percent recyclable material. The devices are used for three rather than the usual two years. After this period, the smartphones are professionally wiped by our partner, refurbished if necessary and then offered for sale as a used device. This is a small step towards a circular economy.

Water consumption

→ GRI 303-1, 303-2

Encavis consumes water at its office buildings in Hamburg and Neubiberg and in the operation of its solar parks. The operation of the wind parks does not result in relevant water consumption.

In the office buildings, water is consumed in small quantities as drinking water and mainly by sanitary facilities. The operation of the wind parks does not result in relevant water consumption. In the operation of solar parks, however, water is used to clean the solar modules.

A first internal analysis has revealed that an average of approx. three cubic metres of water per MW of rated capacity and year is required for this purpose. External service providers are contracted to clean the PV modules in the solar parks; they use water connections available on site – for example from nearby companies. For more accurate billing, a water meter is interposed in some cases. The water is not collected during cleaning. The cleaning agents used to clean the PV modules are 100 percent ecologically degradable. The descaling agents used carry a food certification. Regular cleaning of the solar parks prevents possible yield reductions and any consequential damage that may result from soiling.

Although the water consumption is very low in comparison with conventional electricity generation, Encavis sees potential for optimisation here. Even the smallest water consumption represents a risk in the fight against climate change. We will therefore thoroughly look for water saving possibilities in the current year by closely examining the potential optimisation of the cleaning machines and the modernisation of the technologies used in the solar parks.

Solar park Svinningegården
(33.9 MWp, Denmark)



Electricity consumption

The wind and solar parks account for most of Encavis' electricity consumption (purchased electricity). In 2021, the parks owned by Encavis AG recorded a total power consumption of 12,193,856 kWh.

At the end of 2019, only about 20 percent of the electricity consumed by the wind and solar parks of Encavis AG was pure green electricity.

Thanks to direct energy management measures, approximately 91 percent of the purchased electricity was green electricity by the end of 2021. The aim is to reach 100 percent in the coming years, as further contracts that are in Encavis' sphere of influence will be renewed.

In 2021, the offices in Hamburg and Neubiberg consumed 127,810 kWh and 37,530 kWh of electricity, respectively.

Total energy consumption ¹

→ GRI 302-1, 302-5

2019	2020	2021
Hamburg office: Grey electricity ² : 34,327 kWh Green electricity ³ : 59,513 kWh	Hamburg office: Grey electricity: 35,210 kWh; Green electricity: 52,896 kWh	Hamburg office: Grey electricity: 32,591 kWh; Green electricity: 95,219 kWh
Neubiberg office: Grey electricity: 24,256 kWh Green electricity: 23,327 kWh	Neubiberg office: Grey electricity: 12,204 kWh; Green electricity: 35,776 kWh;	Neubiberg office: Grey electricity: 12,247 kWh ⁴ ; Green electricity: 25,283 kWh;
Purchased electricity Encavis AG: 11,062,821 kWh (thereof 20% green electricity)	Purchased electricity Encavis AG: 10,811,390 kWh (thereof 51% green electricity)	Purchased electricity Encavis AG: 12,193,856 kWh (thereof 91% green electricity)
Encavis Asset Management: 1,607,696 kWh (thereof 8% green electricity)	Encavis Asset Management: 2,792,687 kWh (thereof 51% green electricity)	Encavis Asset Management: 4,122,389 kWh (thereof 57% green electricity)

¹ The share of thermal energy consumption (heat pump and geothermal energy) is limited to our office locations and cannot be clearly identified due to the building situation. In relation to the total energy consumption of Encavis AG, however, the thermal energy consumption is classified as negligible.

² Grey electricity: Grey electricity is electrical energy of unknown origin.

³ Green electricity: Green electricity is electrical energy from renewable energy plants.

⁴ The electricity consumption of the shared premises in Neubiberg as well as the consumption of the Tesla for 2021 were calculated on the basis of previous years, as we do not yet have the bills.

Total electricity sold

2019	2020	2021
Encavis AG Solar: 985,550 MWh Wind: 742,933 MWh	Encavis AG Solar: 1,047,911 MWh Wind: 1,024,843 MWh	Encavis AG Solar: 1,815,000 MWh Wind: 940,100 MWh
Encavis Asset Management Solar: 76,239 MWh Wind: 976,022 MWh	Encavis Asset Management Solar: 189,877 MWh Wind: 1,329,370 MWh	Encavis Asset Management Solar: 326,000 MWh Wind: 1,336,000 MWh

Waste

→ GRI 306-2

A management approach to waste-related impacts (circular economy measures, avoidance of waste in the value chain, data management) is being planned.

Wind park Gieboldehausen
(28.5 MW, Germany)



Epilogue

Last but not least

As a leading independent electricity producer, we acquire and operate wind and solar parks in many European countries. From the very beginning, we have relied exclusively on renewables, which means that environmental sustainability is the nucleus of our DNA. We do the right thing.

Since publication of our 2020 Sustainability Report, we have taken further steps and learned a lot in the process. For instance, that it is very important to do the right things right. To us, this means above all: being transparent and authentic. In everything we do and report on, it is essential to remain accountable and not to tell “green stories”.

Now that you have read the report, you can decide yourself whether we succeeded.

Anyway, our goals for the future are ambitious and we have major plans. One such plan, for instance, is to considerably expand our portfolio of wind and solar parks in order to counteract climate change and global warming. What is more, the accelerated expansion of renewable energy in Europe has now taken on a whole new dimension due to the geopolitical threats and the associated questions about our security of supply. Moreover, we are also responsible for our direct supply chains. This is why we will make our Business Partner Code of Conduct an integral element of our business relationships going forward. And third, we will greatly expand and increase the quality of the data of our wind and solar parks, which we need to calculate our corporate carbon footprint.

One thing is very clear to us: to achieve our sustainability goals, we need the support of our stakeholders and, most importantly, of our colleagues. Every single one of them has helped us to get to where we are now. Because such a challenging task can be mastered only if we all pull together.

We, the Encavis Sustainability Team, are looking forward to the journey ahead of us – and to your company along the way.

If you have any questions or suggestions, please feel free to contact us:

sustainability@encavis.com

GRI content index

Statement of use	Encavis has reported in accordance with the GRI standards for the period 1.01.2021 – 31.12.2021
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard/ Other source	Disclosure	Location (page/link)	Comments	UN Global Compact Principles
GRI 2: General Disclosures 2021	2-1 Organizational details	GRI report p. 7		
	2-2 Entities included in the organization's sustainability reporting	GRI report p. 9		
	2-3 Reporting period, frequency and contact point	GRI report p. 2, 70		
	2-4 Restatements of information		Not relevant	
	2-5 External assurance		The report was not externally audited	
	2-6 Activities, value chain and other business relationships	GRI report p. 7		1-6, 7, 10
	2-7 Employees	GRI report p. 43		6
	2-8 Workers who are not employees	GRI report p. 44		
	2-9 Governance structure and composition	GRI report p. 10		
	2-10 Nomination and selection of the highest governance body	GRI report p. 10		
	2-11 Chair of the highest governance body	GRI report p. 10		
	2-12 Role of the highest governance body in overseeing the management of impacts	GRI report p. 15		
	2-13 Delegation of responsibility for managing impacts	GRI report p. 15		
	2-14 Role of the highest governance body in sustainability reporting	GRI report p. 10		

GRI Standard/ Other source	Disclosure	Location (page/link)	Comments	UN Global Compact Principles
	2-15 Conflicts of interest	GRI report p. 15		15
	2-16 Communication of critical concerns	GRI report p. 10		
	2-17 Collective knowledge of the highest governance body	GRI report p. 15		
	2-18 Evaluation of the performance of the highest governance body		See Remuneration system for the members of the Management Board and Remuneration system for the Supervisory Board members	
	2-19 Remuneration policies	GRI report p. 10		
	2-20 Process to determine remuneration	GRI report p. 10	Encavis is committed to implementation of the ten principles of the UN Global Compact	
	2-21 Annual total compensation ratio		This indicator is currently not measured	
	2-22 Statement on sustainable development strategy	GRI report p. 6		1-10
	2-23 Policy commitments		Encavis is committed to implementation of the ten principles of the UN Global Compact	
	2-24 Embedding policy commitments	GRI report p. 36		
	2-25 Processes to remediate negative impacts	GRI report p. 58		
	2-26 Mechanisms for seeking advice and raising concerns	GRI report p. 34		
	2-27 Compliance with laws and regulations		In the reporting year 2021 no relevant fines were imposed on Encavis for non-compliance with laws and regulations	10
	2-28 Membership associations	GRI report p. 37		
	2-29 Approach to stakeholder engagement	GRI report p. 16		
	2-30 Collective bargaining agreements			



GRI Standard/ Other source	Disclosure	Location (page/link)	Comments	UN Global Compact Principles
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	GRI report p. 18		
	3-2 List of material topics	GRI report p. 18		
Material topic: Responsibility in the value chain				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 36		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	GRI report p. 36		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	GRI report p. 37		4, 5, 6
	308-2 Negative environmental impacts in the supply chain and actions taken	GRI report p. 38		
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	GRI report p. 37		2, 5
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI report p. 37		2, 4
GRI 414: Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	GRI report p. 38		1-6
Material topic: Further development of the energy system				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 27		
Own disclosure	Evaluation of potentially economically viable pilot projects with new technologies			
Material topic: Sustainably integrated corporate strategy				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 15		
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	GRI report p. 35		10

GRI Standard/ Other source	Disclosure	Location (page/link)	Comments	UN Global Compact Principles
	205-2 Communication and training about anti-corruption policies and procedures	GRI report p. 35		10
	205-3 Confirmed incidents of corruption and actions taken	GRI report p. 35		10
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI report p. 35		
Material topic: Contribution to the energy transition				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 27		
Own disclosure	Capacity of owned plants			
Material topic: Operational Excellence				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 27		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	GRI report p. 27		
	201-2 Financial implications and other risks and opportunities due to climate change	GRI report p. 30		
	201-4 Financial assistance received from government	GRI report p. 27		
Material topic: Winning new fund investors				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 27		
Own disclosure	Raising of fund resources			
Own disclosure	Investment of the raised capital			
Material topic: New business segments and models				
GRI 3: Material Topics 2021	3-3 Management of material topics			
Own disclosure	Non-subsidised electricity production	GRI report p. 27		
Material topic: Employee satisfaction				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 44		
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	GRI report p. 48		



GRI Standard/ Other source	Disclosure	Location (page/link)	Comments	UN Global Compact Principles
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	GRI report p. 47		6
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	GRI report p. 47		6
Material topic: Human resources development and employee skills				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 44		
GRI 401: Employment	401-1 New employee hires and employee turnover	GRI report p. 44, 47		6
	401-3 Parental leave	GRI report p. 47		6
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	GRI report p. 48		
	403-2 Hazard identification, risk assessment, and incident investigation	GRI report p. 48		
	403-3 Occupational health services	GRI report p. 48		
	403-4 Worker participation, consultation, and communication on occupational health and safety	GRI report p. 48		
	403-5 Worker training on occupational health and safety	GRI report p. 48		
	403-6 Promotion of worker health	GRI report p. 48		
	403-8 Workers covered by an occupational health and safety management system	GRI report p. 48		
	403-9 Work-related injuries	GRI report p. 44		
GRI 404: Training and Education	404-1 Average hours of training per year per employee	GRI report p. 47		6
	404-2 Programs for upgrading employee skills and transition assistance programs	GRI report p. 45		6
	404-3 Percentage of employees receiving regular performance and career development reviews	GRI report p. 45		6
Material topic: Social acceptance and positive contribution by the Encavis Group				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 49		



GRI Standard/ Other source	Disclosure	Location (page/link)	Comments	UN Global Compact Principles
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	GRI report p. 27		
GRI 415: Public Policy	415-1 Political contributions	GRI report p. 35		10
Material topic: Fight against climate change				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 54		
GRI 302: Energy	302-1 Energy consumption within the organization	GRI report p. 61		7, 8, 9
	302-5 Reductions in energy requirements of products and services	GRI report p. 61		7, 8, 9
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	GRI report p. 54		7, 8, 9
	305-2 Energy indirect (Scope 2) GHG emissions	GRI report p. 54		7, 8, 9
	305-3 Other indirect (Scope 3) GHG emissions	GRI report p. 54		7, 8, 9
	305-4 GHG emissions intensity	GRI report p. 54		7, 8, 9
Material topic: Sustainable efficiency increase of existing wind and solar parks				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 58		
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	GRI report p. 60		7, 8, 9
	303-2 Management of water discharge- related impacts	GRI report p. 60		7, 8, 9
GRI 306: Waste	306-2 Management of significant waste- related impacts	GRI report p. 62		7, 8, 9
Material topic: Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI report p. 58		
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GRI report p. 58		7, 8, 9
	304-2 Significant impacts of activities, products and services on biodiversity	GRI report p. 58		7, 8, 9
	304-3 Habitats protected or restored	GRI report p. 58		7, 8, 9
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	GRI report p. 58		7, 8, 9

Imprint

→ GRI 2-3

The reporting period covers 1 January 2021 to 31 December 2021. The sustainability report of Encavis AG is published once a year.

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Silvester Group, Hamburg
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Published on 30 March 2022

THE WIND PICKS UP

