

SUSTAINABILITY JOURNEY

Sustainability Report 2023

Contents

ENCAVIS	03	ECONOMICS	15	PEOPLE	27
Foreword	03	Growing the Encavis AG portfolio	16	Attractive employer	28
About this report	04	Portfolio management for institutional investors	17	Social commitment	32
Organisational structure	05	Operational Excellence	18		
Business model	06	We make it possible!	20		
Value creation structure	07				
Our shared values	08				
FOUNDATION	09	ENVIRONMENT	22	GOVERNANCE	35
A superb sustainability strategy	10	Carbon-neutral power production	23	Compliance management system	36
Active listening	11	A promising outlook for biodiversity and the environment	24	Corporate responsibility doesn't end at our doorstep	38
Sustainability strategy	13			A last look back before we move on	41
				GRI Index	42
				Company details	48

FOREWORD

GRI 2-22

DEAR ALL,

During the course of 2023, our world once again suffered under the severe backlash of global warming. The now familiar cycle of heatwaves, record temperatures, prolonged periods of drought and catastrophic flooding came thicker and faster than ever before. As life gets harder, people call with increasing urgency for solutions that will help us achieve the climate goals so necessary to our survival.

Renewable energy sources are one of the most effective weapons available in the fight against global warming. Our portfolio of wind farms and solar parks already plays an important role in creating a low-emission energy system.

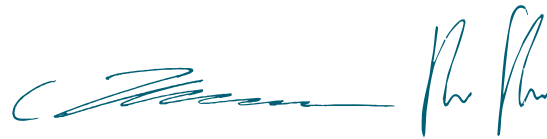
Our personal, primary environmental goal is to achieve carbon neutrality by 2040. In the reporting year, our carbon reduction goals were validated by the SBTi (Science Based Targets initiative), who confirmed that our actions align with the guidelines issued by the Paris Agreement. These aim to restrict global warming to 1.5°C.

Expanding our capacities sustainably, however, is all a matter of taking the right approach. Above all, we need to expand our portfolio in a way that will not negatively impact the quality of life of future generations. Ensuring we do business in a manner that is sustainable over the long term means focusing on far more than just economic success factors.

The sustainability journey is one we must all travel together – we, our suppliers, shareholders, investors, partners, employees and everyone else with whom we collaborate in one form or another. Join us on our journey, and read our sustainability report to find out more about our progress in 2023. As in previous years, we focus on key themes in the fields of economics, environment, people and governance. We define specific goals for each of these fields to ensure our progress is both transparent and verifiable.

All credit is due to our employees when it comes to our potential to change things for the better. We'd like to take this opportunity to say a big thank you to all of them for their dedication and willingness to embrace and implement change! We'd also like to say thank you to the external stakeholders who accompany us on our journey. We appreciate all feedback, and we look forward to remaining in dialogue with you this year.

And now... enjoy the read!



Dr Christoph Husmann,
Speaker of the Board
and CFO Encavis AG

Mario Schirru,
CIO/COO Encavis AG



Dr Christoph Husmann
and Mario Schirru

ABOUT THIS REPORT

GRI 2-1, 2-2, 2-3

This sustainability report, approved by the Board of Encavis AG, relates to the Encavis Group. The reporting period of this report is 1 January 2023 to 31 December 2023. This corresponds to the reporting period of the annual financial statements of Encavis AG, which were published on 26 March 2024. The editorial deadline for this report was 26 March 2024.

This report uses gender-neutral language wherever possible. All texts are inclusive of all gender identities.

The sustainability report is available in German and English. In the event of discrepancies, the German version shall prevail.

To ensure transparency and completeness of our reporting, we adhere to the following frameworks and guidelines:

GLOBAL REPORTING INITIATIVE (GRI)

We use the GRI Standard as the basis for our ESG dataset.

GREENHOUSE GAS PROTOCOL (GHG)

We are fully compliant with the GHG Protocol Corporate Accounting and Reporting Standard for Scopes 1, 2 and 3.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Our sustainability approach is guided by the 17 Sustainable Development Goals (SDGs) of the United Nations.



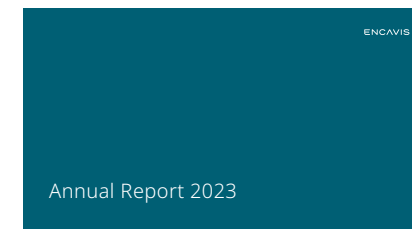
Sustainability Report 2023

In this report, we focus on our sustainability strategy based on the material topics we have identified.



ESG Report 2023

This report contains our ESG metrics.



Annual Report 2023

Our annual report provides a transparent picture of the strategic, operational and financial position, structure and development of Encavis.

ORGANISATIONAL STRUCTURE

GRI 2-1

Based in Hamburg, Encavis is one of the largest independent electricity producers in the renewable energies sector in Europe and a service provider for green electricity. With a team of almost 400 employees, Encavis manages its business activities via five segments.

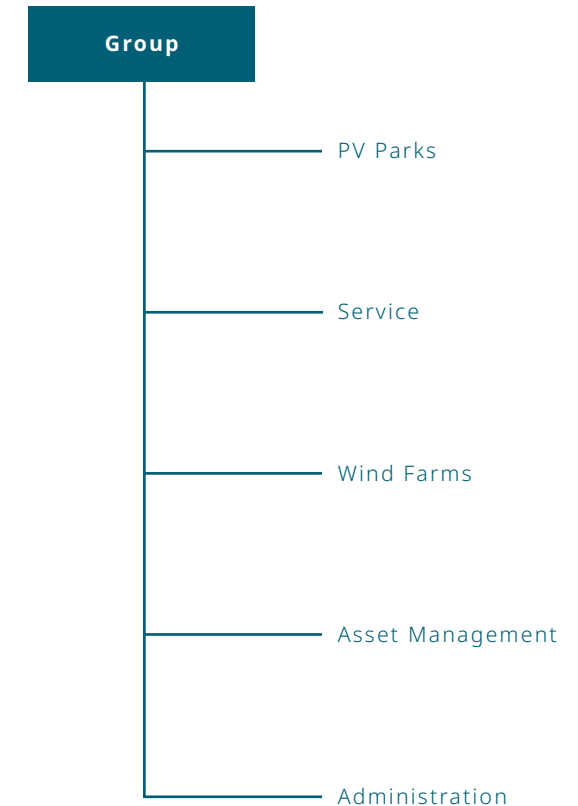
The **PV Parks** segment includes all of our own solar parks in Germany, Italy, France, the UK, the Netherlands, Spain, Denmark and Sweden, as well as any holding companies.

The **Service** segment consists of Encavis Technical Services GmbH and the Italian Stern Energy S.p.A., which has been fully consolidated since the 2022 financial year, in addition to their national subsidiaries for services in Germany, the UK, France and the Netherlands. This segment also includes other service companies and battery storage solutions as well as the Encavis AG business transactions allocated to this segment.

The **Wind Farms** segment comprises all of the company's proprietary wind farms in Germany, Italy, France, Denmark, Finland and Lithuania, as well as the associated holding companies.

The **Asset Management** segment includes the business activities of Encavis Asset Management AG and those activities of Encavis GmbH that relate to the Asset Management business area, as well as other companies assigned to this business area.

The **Administration** segment consists of the administration-related business transactions of the Group's parent company, Encavis AG, and the business transactions of Encavis GmbH assigned to this segment. This segment also includes Encavis Finance B.V. and other companies assigned to administration.



BUSINESS MODEL

GRI 2-1, 2-6

Encavis drives the energy transition by creating tailored solutions for challenges in the energy sector. We work with partner companies to cover each and every link in the supply chain. Having gained many years of experience in the field, our primary focus is on onshore wind farms and solar parks.

We exploit the multi-faceted potential of generating electricity from renewable sources. As an independent company, we operate environmentally friendly, emission-free power plants and have been steadily expanding our portfolio here since 2009. Our core focus is on acquiring and operating solar parks and onshore wind farms. When we acquire new plants, we focus on keeping a healthy balance between projects that are still in the development phase, projects that are just starting up and projects that are already up and running reliably with guaranteed feed-in tariffs or long-term PPAs. Our development projects or finished plants are located in various European countries that are characterised by a stable economic and political environment and reliable investment and framework conditions.

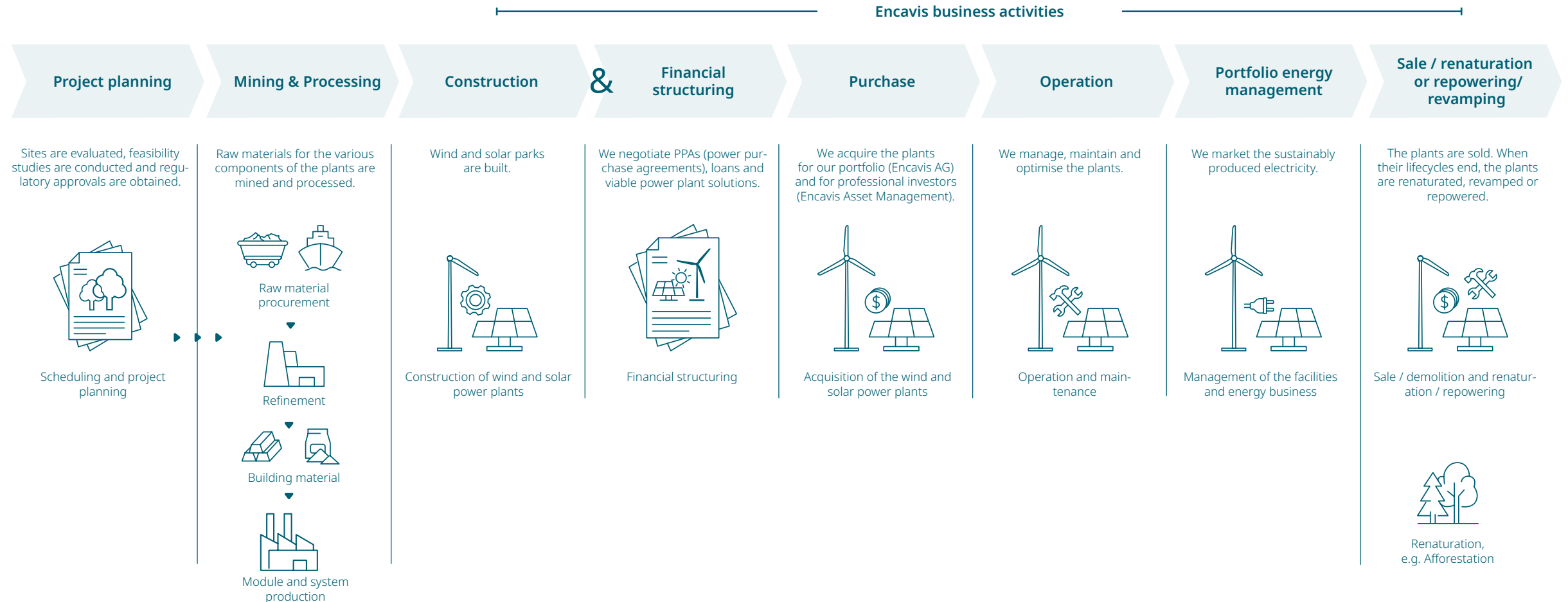
Business is currently booming in the field of O&M (operation and maintenance) for solar plants. This work is handled by our 80%-owned subsidiary Stern Energy S.p.A., which is based in Parma, Italy. In order to further reinforce the Group's O&M services and become market leader for third-party customers in Europe in this field, Stern Energy S.p.A has now opened branches in Germany, the Netherlands, the UK and France, and plans to expand next in Denmark and Spain.

Further, our subsidiary Encavis Asset Management AG offers institutional investors attractive opportunities for investing in renewable energy parks. This line of business allows Encavis to grow its power production portfolio more quickly and create synergies with investment partners. The Asset Management segment includes all services inherent to this area of business – from initiating funds and structuring investments for professionals who wish to invest in renewable energy to acquiring and operating the power plants in which the investors own a share.

Our portfolio currently comprises around 230 solar parks and 90 wind farms in Germany, Italy, France, the UK, Austria, Finland, Sweden, Denmark, the Netherlands, Spain, Ireland and Lithuania. In total, these generate some 3.6 GW of electricity. Our Asset Management segment operates around 40 of these solar parks and nearly 50 of the wind farms on behalf of third parties.

VALUE CREATION STRUCTURE

GRI 2-6



OUR SHARED VALUES

We are a successful growing company with a corporate culture that is actively shaped by the employees. Together we have developed the following values, which we live by every day.

SHARING ENTHUSIASM	SEIZING OPPORTUNITIES	VALUING TRUST	STICKING TOGETHER	SHAPING THE FUTURE	ASSUMING RESPONSIBILITY	FOCUSING ON OUR CUSTOMERS
<p>‘We enjoy working towards mutual success.’</p> <p>Our passion for renewable energies and for our work drives our daily actions and forms the basis for developing our company and achieving our goals together.</p>	<p>‘We actively seize opportunities and are committed to achieving our goals.’</p> <p>We don't wait for opportunities to come to us, we take the initiative ourselves. We review opportunities that arise for their long-term feasibility and implement them professionally, together. We also always look for opportunities to improve what we already have in place.</p>	<p>‘We trust each other and can rely on one another.’</p> <p>Trust connects us with our colleagues and our business partners. We consider reliability and transparency the basis for trust-based collaboration and good business relationships.</p>	<p>‘We stick together, support one another and look out for each other.’</p> <p>We are convinced that top performances are only possible in a working environment that encourages team spirit. Feeling great and sharing joyful experiences creates the space to achieve great things. We respect each other and consider our diverse workforce an enrichment. We respect and support one another and treat ourselves and our business partnerships fairly.</p>	<p>‘We actively shape the future and act responsibly.’</p> <p>In everything we do, we consider the future consequences of our actions. We act with foresight, approach issues with determination and confidently apply our strength and knowledge. Our actions are always reliable and sustainable – to benefit us, our partners, our society and our environment.</p>	<p>‘We take responsibility for our own actions.’</p> <p>Dealing responsibly with our environment is our main goal. We take responsibility for our own actions and always lead by example. We approach others proactively and don't look the other way.</p>	<p>‘We value our customers and focus on them through and through.’</p> <p>We know our markets and value our customers. We deliver quality and stand for competence. We ask the right questions and respond to our customers' needs.</p>

Foundation

A strong anchor

Our sustainability work builds on a strong foundation. We focus hereby on embedding it meaningfully in our organisational structures. We also focus on our most important stakeholder groups and on our ten strategic priorities – and how we approach them.



A SUPERB SUSTAINABILITY STRATEGY

GRI 2-9, 2-12, 2-13, 2-14

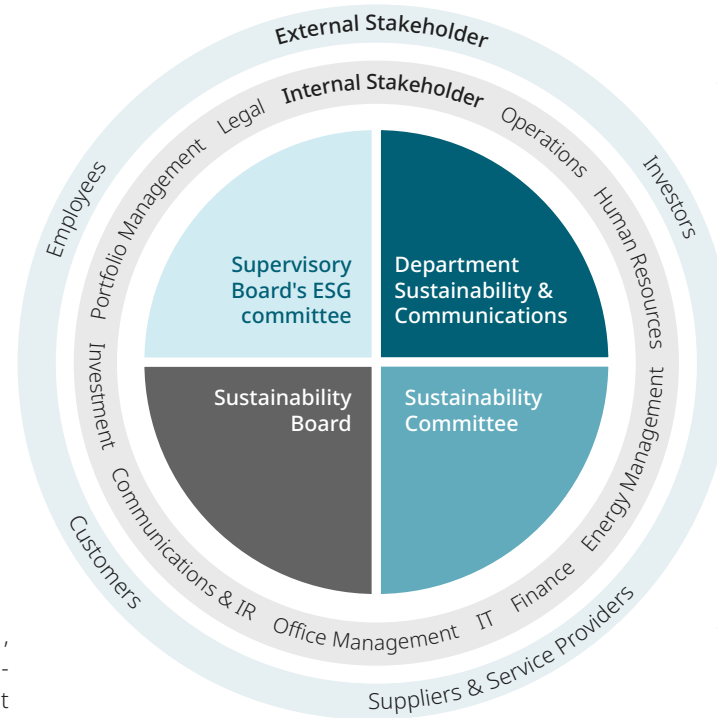
Sustainable action is integrated into the operational and strategic company processes at Encavis.

THE SUPERVISORY BOARD'S ESG COMMITTEE

In 2023, the Supervisory Board of Encavis AG added an ESG committee to the audit committee to reflect the growing importance of sustainability. During the reporting year, both the ESG committee and the audit committee took a closer look at the current status of internal audits as well as the 2023 Governance Report. The ESG committee and the audit committee convened twice during the reporting year.

SUSTAINABILITY COUNCIL

The Sustainability Council, which was founded in April 2021, consisted of five members in the reporting year: two Management Board members of Encavis AG, two Management Board members of Encavis Asset Management AG, and the head of the Sustainability & Communications department. Based on the preparatory work of the Sustainability & Communications department, the Sustainability Council makes central strategic decisions for the sustainable



further development of the company, defines non-financial corporate goals and monitors progress. The committee met virtually several times in 2023.

SUSTAINABILITY & COMMUNICATIONS DEPARTMENT

The Sustainability & Communications department, which falls under the remit of the Board Spokesman, is responsible for Group-wide sustainability management. This department coordinates individual measures and defines corresponding key performance indicators. What's more, the employees in this department are responsible for preparing the sustainability reporting as well as organising and monitoring the communication with key stakeholders. In addition, this department oversees compliance with many ESG policies and commitments. Sustainability-related topics are operationally implemented decentrally in the various departments.

SUSTAINABILITY TASK FORCE

Since the beginning of 2020, an in-house Sustainability Task Force has been driving the implementation of internal sustainability measures. The task force is made up of representatives from several business areas of the Encavis Group. It meets regularly and shares information about progress made that has a lasting impact within the Group. In the reporting year, this team organised and conducted various activities, such as the Charity Runs in Hamburg and Munich, Giving Back Week and a Christmas gift campaign for children in need.

ACTIVE LISTENING

GRI 2-29

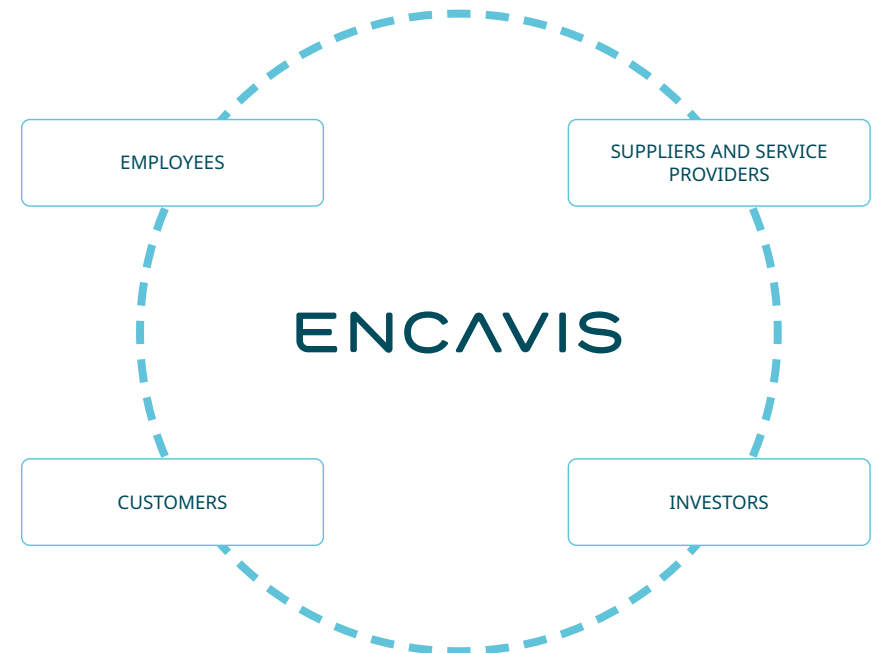
Dialogue with stakeholders helps us adjust our sustainability strategy and maximise its potential.

Entrepreneurial responsibility in action also means seeking dialogue with external and internal interest groups. We try to take the expectations and needs of all participants into account and reflect them in our corporate strategy by actively engaging in transparent, two-way communication. During the reporting year, we simplified the way we depict our stakeholder groups by no longer classing 'PPA customers' as a separate group. Based on the materiality principle, we have removed the 'Society and General Public' stakeholder group. Instead, we now focus on interest groups that strongly impact our business activities, and whose needs and expectations are hence of great significance to us.

The following formats and the results derived from these are a selection taken from our strategic communication with our stakeholder groups.

EMPLOYEES

In 2020, Encavis began using a purpose-built Microsoft Teams channel called Encavis2go for most of its internal communication. This includes various virtual formats – such as 'Lunch & Learn' – which help to promote a healthy team spirit within the company. Employee-led topics, such as artificial intelligence or carbon accounting, were presented and discussed in the reporting year. In addition, the Management Board provides information on current issues concerning the Encavis Group several times a year under the theme 'whatsup@encavis'. Employee satisfaction and motivation levels help us assess the degree to which our workforce embraces key goals in our sustainability strategy. To gauge these levels, we introduced short surveys ('Pulse Checks') in 2020. The results from these surveys deliver a reliable picture of the overall mood in our workforce.



INVESTORS

In 2023, Encavis participated in eight roadshows (including two Corporate Governance roadshows) and attended 28 international investor conferences as part of its operative investors relations work. In total, the Management Board and the Investor Relations team attended more than 500 meetings to engage in dialogue with investors, analysts, journalists and other financial players. Further, we engage in active, two-way communication with selected (ESG) rating agencies. Here, the primary focus is on making progress with our sustainability strategy. You will find an overview of our ESG rating results in our 2023 ESG Report. The number of enquiries we received from analysts and investors on ESG-related topics increased steadily over the course of the reporting year. The AGM, which is once again being held as a live event as opposed to online, is particularly important for shareholders.



ESG Report
2023

CUSTOMERS

Our longstanding business relationships with PPA customers build on mutual trust. While solar parks and wind farms are under construction, we update customers regularly on the progress of the work. Then, once the parks begin operations, we make sure PPA customers are able to access the latest power generation data for their PPA project whenever they choose. Encavis Asset Management investors are regularly kept up to date through quarterly fund reports and at investment committee meetings. Responsibility for the fund investors is assumed through personal representation on the boards of directors of the fund companies.

SUPPLIERS AND SERVICE PROVIDERS

Encavis' successful and longstanding relationships with suppliers and service providers are vital to ensuring continuity in our business dealings. We attach great importance to monitoring compliance with our sustainability guidelines. In addition, we take the concerns and demands of our suppliers and service providers seriously, discussing these with them regularly in person or when we meet at trade fairs and events.

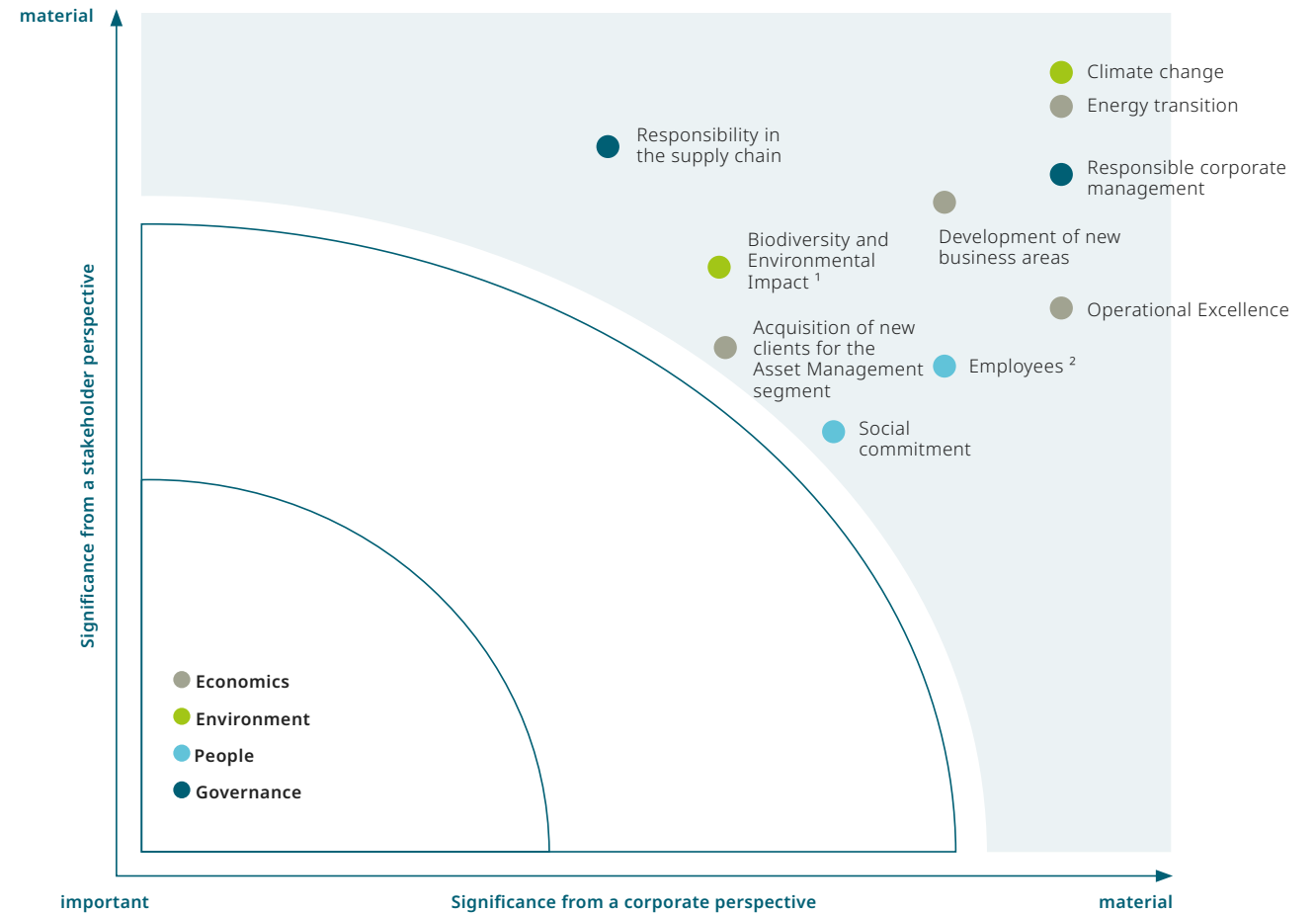
SUSTAINABILITY STRATEGY

GRI 3-1, 3-2

In order to put our sustainability strategy into action effectively, we focus on ten material topics. For each of these, we have developed specific goals that align with the Sustainable Development Goals (SDGs).

In the reporting year, we merged several material topics. As a result, our ten topics are now condensed into four fields of action. In the Environment field, we've combined biodiversity with environmental impact because in both cases, the goals and the measures taken to achieve these goals are closely linked. We've also combined employee satisfaction with employee skills and will evaluate both aspects collectively in the future.

Effective sustainability work is measured against its goals. We have chosen a holistic approach and set ourselves ambitious goals for every material topics that was identified. At the same time, we check our results against the UN Sustainable Development Goals (SDGs). This highlights our contribution to sustainable development in the ecological transformation process.



¹ We have merged 'Biodiversity' and 'Environmental Impact'

² We have merged 'Employee Skills' and 'Employee Satisfaction' under the heading 'Employees'.

ECONOMICS

Investing in renewable energies and enabling investments in them is a central concern for us. This applies, in particular, to the acquisition of new wind farms and solar parks and the acquisition of new customers in the Encavis Asset Management division. In order to maximise green electricity production, we need to operate our solar parks and wind farms as efficiently as possible. In addition, developing new business areas – such as the effective sale of green electricity – is one of our priorities when it comes to economics.

ENVIRONMENT

The Encavis business model, i.e. the generation of electricity from renewable energies, make a significant contribution to combating the advancing climate change. In terms of the environment, we try to use our plants to reduce carbon emissions and to keep the CO₂ impact during operation and along the entire supply chain as low as possible. Biodiversity and environmental sustainability are also among our priorities.

PEOPLE

Happy and well-trained employees are able to recognise and seize opportunities in the rapidly growing renewable energy market. We are therefore very keen to keep employee satisfaction rates at the highest level and to promote professional and personal development as best we can. We are also aware of our social responsibility and contribute to society accordingly.

GOVERNANCE

In the Governance field, we have identified two material topics. The first is the ongoing development of our Compliance Management system; the second is our responsibility to ensure compliance with our guidelines in our value creation chains and supply chains.

En route to CSRD

During the reporting year, we once again focused on continuously improving our efforts in the field of sustainability. We took a fresh look at processes, material topics and follow-on goals and intensified our efforts in these areas in order to pave the way for the reporting demands that will come with the CSRD (Corporate Sustainability Reporting Directive). A pivotal point was the evaluation of ESG topics in line with the double materiality framework. This takes a holistic approach, looking at impact, risks and opportunities, and is based on the latest guidelines in the European Sustainability Reporting Standards (ESRS). The publication in the coming reporting year will be adjusted to this new reporting standard.

Economics

Growing sustainably

In this section, we explain how we grow sustainably. In particular, we take a detailed look at new lines of business, operational excellence and our asset management.



GROWING THE ENCAVIS AG PORTFOLIO

GRI 3-3

Green energy from wind and solar is our contribution to the energy transition in Europe.

Powered by standardisation and digitisation, we play a significant role in expanding green electricity capacities and efficiently operating wind farms and solar parks.

During the reporting year, we pursued our growth strategy resolutely and came several steps closer to achieving our goal – namely, to significantly increase the production capacity of Encavis AG. In 2023, we acquired projects and project rights with a capacity for generating around 550 megawatts (MW) of power. This equates to an annual production of 1,000 GWh. Never before in the course of our company history have we acquired so many projects in a single fiscal year. You'll find a detailed overview in our 2023 ESG Report.



ESG Report
2023

Our planning for the coming years focuses on further investments in 'ready-to-build' wind farms and solar parks as well as securing projects in earlier development stages in collaboration with strategic development partners. In the future, we want to acquire more parks with electricity marketing secured by long-term contracts with industrial and commercial customers (PPAs). Our regional focus is on wind and solar energy in Germany, Italy, Spain, the Netherlands and Denmark.

After the close of the 2023 business year, we signed an investor agreement in March 2024 with a consortium of investors headed by KKR and involving the family-owned SME Viessmann. Our aim here is to form a strategic alliance that will result in long-term growth for Encavis. As a result of this investment partnership, Encavis revised its goals for 2027 from the original plan to own holdings totalling 5.8 GW, to a new goal of 7.0 GW.



Material topic Contribution to the energy transition

Goal: Increasing own capacity to at least 7.0 GW by 2027



Goal: Acquiring 750 GWh of production capacity per annum by 2027



→ on track + new target

PORTFOLIO MANAGEMENT FOR INSTITUTIONAL INVESTORS

GRI 3-3

Together with institutional investors such as insurance companies, pension funds or banks and savings banks, we are driving the energy transition by generating electricity from wind and solar power.

In the reporting year, we expanded our product portfolio for institutional investors. Together with badenova, we developed a cooperative solution that focuses primarily on buying and operating wind farms and solar parks in Germany. We're also jointly focusing on related technologies such as solar batteries and opportunities for marketing the electricity we generate from renewable sources. We plan to further expand this line of business by entering into additional partnerships with regional energy providers, public utility companies and local authorities. We successfully connected our first assets at the end of 2023 – three solar farms in Mecklenburg-Vorpommern, Germany, with a combined nominal output of more than 137 MW. These solar farms should begin feeding electricity into the grid by the end of 2025. We plan to continue investing in this joint venture in 2024.

As in previous years, we also plan to significantly expand our portfolio of services for institutional investors. Besides acquiring power plants that are already up and running, we have now developed considerable expertise and established

an excellent track record in a number of additional areas. These include acquiring and managing projects that are still in the development phase, organising projects in the structuring and construction phases, procuring construction services and project financing, and negotiating PPAs.

During the course of 2023, Encavis Asset Management oversaw the construction of several wind farms and solar parks in Ireland, France and Portugal. Some of these projects were finished ahead of schedule. In addition, we solicited tenders and placed orders for construction work on PV plants with a nominal output of more than 253 MW, and negotiated loans totalling more than €140 million. Further, we made good use of the current market situation by advising tactical sales from the current portfolio. Using international bidding processes, we were thus able to achieve lucrative exit solutions for our investors.

You will find a detailed overview in our 2023 ESG Report.



Material topic

Acquisition of new clients for the Asset Management segment

Goal: Fundraising



Goal: Investments in capital gained through fundraising



on track



ESG Report
2023

OPERATIONAL EXCELLENCE

GRI 3-3

Guided by the mantra 'plan – implement – evaluate – correct', we continually work on optimising our operational performance.

Weaknesses in optimisation and maintenance, technical backlogs or a lack of digitisation progress can have fatal consequences. We believe that both the quality of operational management and the expansion of digitalisation are crucial for our business.

OPERATIONAL MANAGEMENT OF THE PARKS

The quality of operational management is the decisive factor for the long-term preservation and high technical availability of our wind farms and solar power plants. For this reason, the Operations Department, which is responsible for managing day-to-day operations within Encavis AG, is constantly working on optimisation and maintenance measures.

Excellent progress was made with the integration of our service provider Stern Energy S.p.A., which operates across Europe, during the reporting year. This not only helped us ensure that the operational management of our solar parks is of a consistently high standard across all countries, but also enabled us to roll out these services to a wider section of our solar portfolio.

In the wind farm segment, we introduced new software which has helped us improve operational management. Generators, rotor positions and transmission can now be monitored more efficiently, allowing us to identify anomalies at an earlier stage and take action accordingly. The software also allows us to evaluate maintenance and repair work more meaningfully. During the course of last year, we rolled out the software to large sections of our portfolio. In future, we will use it for all wind farms we acquire.

In 2023, we began to work intensively on expanding and standardising HSE (Health, Safety and Environment) management for our portfolio. During the reporting year, our focus was on analysing climate change and assessing how this impacts our assets (e.g. fire risks). We also focused on revising and expanding risk assessments in our wind farm and solar park portfolios. Further, we defined higher standards for occupational health and safety measures when working with external service providers and contractors.

Next year, besides making further improvements to our operational management and monitoring the service providers involved, we plan to place a special focus on developing our HSE standards even further.



Material topic Operational Excellence

Goal: Conducting a comprehensive analysis of the quality of our operational management by the end of 2023



Goal: Implementing digital solutions that will optimise and automate business processes by the end of 2023



Goal: Developing digital solutions to improve operational management and market our wind farms and solar park portfolio by the end of 2024



Goal: Ensuring compliance with the HSE guidelines implemented in the parks via regular audits and on-site inspections.



✓ 100% achieved + new target

In 2024, we will concentrate on monitoring compliance with the HSE guidelines we implement. We will do this via regular audits of service providers and on-site inspections of the parks in our portfolio. By carrying out spot checks, we hope to glean insights into how well our standards work in practice, and how well they are implemented by our service providers. This will enable Encavis to properly discharge and document its responsibilities as owner and/or operator of its assets, in line with legal regulations.

DIGITISATION

Digitisation is fundamental to our growth strategy. To this end, we are pursuing a coordinated, holistic approach, where digital visions have become part of our core business strategy. If we want to remain successful and continue to grow, it is essential that we use the latest technologies and innovations.

During the reporting year, we established Asset Ocean GmbH, a spin-off company with a focus on driving digital innovations, to develop a cloud-based renewable energy management solution that compiles all relevant data from our assets. Using the insights gleaned from Asset Ocean's data analyses, we can ensure all our assets maintain a healthy balance in terms of costs, efficiency and risk.

We use Asset Ocean to integrate isolated processes and systems. This enables us to overcome isolated solutions in the fields of regenerative power generation, plant maintenance and operational efficiency, and in their place create the relevant parameters for scalability and optimisation. In short, this is a data solution that covers the entire value chain of independent power production.

In future, Asset Ocean will also help us automate processes in our power plants. In the years to come, it is very important that we further improve the management and performance of our assets so that we can coordinate and optimise our production decision-making processes across our entire portfolio.

Already, manufacturers working in the field of renewable energy have begun to develop 'smart' power plants. Accordingly, we expect that the development of generative AI and investments in smart renewable energy production plants will result in increased digitalisation in the industry. In the context of smart power plants and smart, flexible marketing, this means that the digital solutions we develop in our Asset Ocean spin-off will increasingly need to be capable of adapting in real time.

WE MAKE IT POSSIBLE!

GRI 3-3

Establishing new lines of business is a core element of our corporate strategy.

Our holistic energy management strategies and our use of battery technology and agrivoltaics support the energy transition.

HOLISTIC ENERGY MANAGEMENT STRATEGIES

Over the course of the next few years, industries that use large amounts of electricity face the challenge of transitioning to green electricity. As a result, more PPAs will be negotiated. The volatility of renewable energy will also change the demands on procuring electricity for industrial customers. This is why we go beyond the classic approach and offer flexible solutions such as demand-side responses and on-site battery storage for companies and businesses.

During the reporting year, we conducted numerous surveys in order to tailor the services we offer to the exact needs of industrial customers. In addition, we gained considerable experience in the field of battery storage and have developed use cases that fit industry needs.

We are now planning to make our first physical PPA deliveries directly from our parks into our customers' balance sheet.

STORAGE TECHNOLOGIES


Only when the sun is shining or the wind is blowing do wind or solar power plants generate electricity. Storage technologies are therefore essential for controlling demand and power generation. There are several technologies that are suitable for this purpose. We are currently concentrating on the electrochemical option of stationary lithium-ion batteries. These batteries are particularly advantageous in terms of energy density, responsiveness and safety.

During the reporting year, we were able to record our first tangible successes in the field of storage technology. In June, we acquired the project rights for the construction of a 12 MW/24 MWh battery system in Hettstedt, Sachsen-Anhalt, Germany. Shortly before the close of the year, we signed a general contractor agreement with Rolls Royce Power Solutions. Building work can thus commence in the summer of 2024. The system is scheduled to start operating in the first quarter of 2025. The battery system in Hettstedt



Material topic
Development of new business areas

Goal: Positioning as 'enabler of the energy transition'

 on track



will help us reduce the costs for compensatory performance on our wind farms and solar parks. The fact that there are no grid costs involved when charging batteries in Germany also means we can use them as risk management instruments when marketing our electricity.

Further, we've kept a close eye on the dynamics of costs for building and marketing battery systems. At present, we see few opportunities for generating reliable income with such systems. This is due to a lack of medium and long-term funding in the field, and the fact that there are no purchase agreements similar to 'pay as produced' PPAs. The profitability of battery storage is currently highly volatile and can be affected by unforeseen events (e.g. emergency maintenance work on gas turbines). As announced in February 2024 in its nuclear power strategy, Germany plans to create a 'capacity market' in Germany and in other European countries. This makes us cautiously optimistic about the future.

We're convinced that battery storage will one day play a key role in the energy transition. We are excellently positioned to join forces with our partners and integrate battery storage into our power production portfolio in Europe. Our project pipeline includes a large number of development partners in Germany, the Netherlands, Denmark, the UK, Spain and Italy. Many of these projects are in advanced stages and will be ready to build in the foreseeable future.

AGRIVOLTAICS

Agrivoltaic parks are ideal for the purpose of containing the amount of land taken up by solar parks. This is the hybrid use of agricultural land on which farming continues alongside electricity generation even after the installation of PV systems.

During the reporting year, Encavis Asset Management AG added a further agrivoltaic plant to its portfolio for institutional investors. This is located in the province of North Holland and has an installed nominal capacity of 31 megawatts. Agrivoltaic parks focus on optimising land use by combining solar energy production with agriculture. The PV panels are mounted vertically and generate sufficient green electricity for around 1,100 households. At the same time, the soil beneath the modules is farmed using state-of-the-art methods.

Environment

Producing power, protecting nature

Our business model stands in harmony with nature and the environment.



CARBON-NEUTRAL POWER PRODUCTION

GRI 3-3

In 2023, we made an important contribution towards reducing carbon emissions.



ESG Report 2023

We are committed to reducing our carbon emissions and making our business processes as carbon neutral as possible. In order to achieve this goal, we focus on green input energy, electric company vehicles and climate goals that are based on sound science. All KPIs, including those for our corporate carbon footprint, are detailed in our 2023 ESG report.

GREEN ELECTRICITY



Transition Plan

For certain tasks (e.g. maintenance work), our wind farms and solar parks use electricity from the grid, also known as 'input energy'. For this purpose, we enter into separate electricity agreements. In 2022, we negotiated new agreements for all the parks we fully control, and have now transitioned to 100% green electricity at these sites. Some parks are bound by contracts with external partners such as substations over which we have no direct control. However, we contacted these partners during the reporting year to set the wheels in motion for transitioning to green electricity. At the parks we newly acquired during the reporting year, we plan to transition to green electricity agreements as soon as possible. For more information, please read our 2023 ESG report.

SCIENCE-BASED CLIMATE GOALS

In the reporting year, we committed ourselves to reducing our direct emissions (Scope 1, associated with fuel combustion) and also our indirect emissions (Scope 2, associated with the purchase of energy) by at least 42% by 2030. In addition, we plan to achieve net zero status by 2040. These goals, as well as the specific measures we'll be taking to achieve these goals, are defined in what we call our 'Transition Plan'. The Science Based Targets initiative (SBTi) is an independent partnership between the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the United Nations Global Compact (UNGC). It helps companies define science-based climate goals and make progress towards reducing carbon emissions. In the reporting year, SBTi confirmed that our climate goals align with the target to restrict global warming to 1.5°C.

TRANSITIONING TO ELECTRIC VEHICLES IN THE COMPANY FLEET

During the reporting year, we amended our company fleet policy to help us achieve our goal of transitioning to electric vehicles. The new policy will only approve future leases if they

are for electric vehicles. Given the small size of our company fleet, we expect this measure to take effect relatively quickly. The new policy also underscores our vision – to protect our environment not only in our business operations but also in our day-to-day activities at work.



Material topic
Contribution to combating climate change

Goal: To achieve a low-carbon economy by 2040, as detailed in the Transition Plan



on track

A PROMISING OUTLOOK FOR BIO-DIVERSITY AND THE ENVIRONMENT

GRI 3-3, 304-1, 304-2, 304-3, 304-4

Biodiversity in action and environmentally friendly wind farms and solar parks – from now on, we plan to view these two topics as one entity.

During the reporting year, we took various steps to increase the efficiency of our wind farms and solar parks and make them more resilient in terms of sustainability. In addition, we looked at ways to preserve and promote biodiversity. This also involved updating and improving our process for selecting sites.

INCREASE IN EFFICIENCY OF OUR WIND FARMS AND SOLAR PARKS

Energy efficiency plays a decisive role in the energy transition. Most manufacturers offer a 20 or 30-year guarantee on their inverters and PV panels. However, PV panels tend to perform less and less efficiently over time (degradation). For this reason, it sometimes makes sense to replace PV panels prematurely and perform what is known as a 'revamping' process to restore a PV plant to its original performance and capacity level. Another option for increasing productivity is a process known as 'repowering'. This means expanding the installed performance in the PV park.

Due to the better productivity per unit area of modern solar modules, there may be free areas on the existing substructure after the existing system is converted. Provided all legal requirements can be met, all permits obtained and sufficient capacities are available in the grid, solar parks can expand their capacities by means of the repowering process without taking over and sealing additional land.

In 2023, while revamping our portfolio in France, we identified additional repowering potential at the solar parks in question. As a result, we were able to increase capacities at existing sites by a further 2.3 MW. We then investigated potential for increasing capacities at a number of other sites and will now press ahead with the planning work to implement the changes in line with the relevant legal requirements and economic framework. In order to exploit the full potential of our wind farms and solar parks and take swift action to rectify any problems, we need to monitor and analyse the quality of our operational management on a regular basis. This allows us to maximise the production potential of our portfolio and ensure our sites operate smoothly and reliably.



Material topic Biodiversity and environmental impact

Goal: Continuous increase in efficiency of our wind farms and solar parks through revamping and repowering measures. →

Goal: Compensation for potential biodiversity losses in all new solar projects acquired from 2025 onwards. +

→ on track + new target



Biodiversity strategy

CHOOSING THE RIGHT LOCATION

We take various factors – from environmental aspects to legal parameters – into account when selecting new sites for our wind farms and solar parks. In doing so, we attach great importance to communicating clearly and collaborating closely with our project partners.

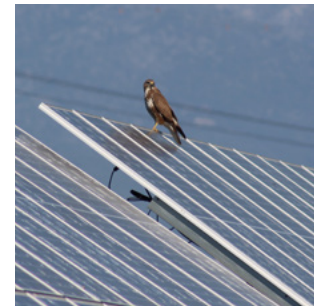
When planning wind farms and solar parks, project developers are always bound by national and local laws in the country in question. As a result, we avoid sites that are located in protected areas or areas with a high level of biodiversity, and create compensatory areas as required. Environmental audits play a role in assessing biodiversity and the conservation value of potential sites.

In the reporting year, we reviewed and improved our assessment process for potential sites. We are now increasingly turning our focus to brown spaces (wasteland, or derelict open land) in order to maximise the use of such areas and minimise encroachment on natural habitats. Moving forwards, we plan to work together more closely with local authorities in order to gain a better understanding of their needs and wishes.

BIODIVERSITY IN OUR SOLAR PARKS

As we expand our portfolio of solar parks, we make every effort to combat the climate crisis and protect biodiversity. To do so, we've developed a biodiversity strategy that focuses on creating (or maintaining) valuable habitats for flora and fauna at our new solar parks. This work is monitored to ensure biodiversity is not impacted and any potential biodiversity losses are countered by the relevant compensatory measures.

We already take action to protect existing breeding and nesting sites. When re-seeding wasteland areas, we focus on regional perennials. The fences we use to enclose our sites are designed to allow right of passage for small mammals and amphibians. We maintain our grounds extensively and do not use synthetic fertilisers or herbicides in doing so.



Excellent environmental protection measures in Talayuela solar park

Pilot projects for protecting biodiversity at our solar parks in Spain are now delivering first results.

For example, we left a gap at the bottom of the fencing around the Talayuela solar park to enable small animals to pass in and out safely. We also levelled the ground around two ponds which previously had very steep banks and were hence unsuitable as watering places. As a result, they can now be accessed more easily by animals.

The Extremadura region of Spain is one of the most important overwintering sites in Europe for waterfowl, so here we erected floating islands complete with flora as nesting grounds for mallard ducks, teal and great crested grebes. We've now also installed eyries for great white egrets and Spanish imperial eagles.

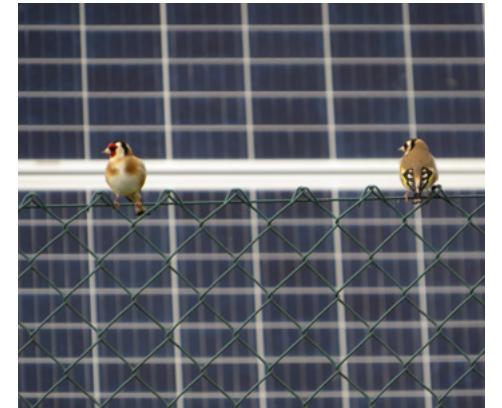
Further, the Talayuela site houses more than 25 lairs for reptiles. These are dotted around the grounds at irregular intervals and play a role in pest control by housing natural predators.

Little bustards in the La Cabrera solar park, Spain

Eleven little bustards have settled on the grounds of La Cabrera solar park in Andalusia, some having already previously nested here. These birds belong to a highly endangered species and it's the first time any have been known to nest in a solar park.

In order to document and protect the little bustards, biologists are now taking a closer look at their lives and habits. Through this collaboration, we hope to ensure these endangered birds continue to build their nests and rear their young in our solar park.

Alongside producing clean energy in our solar parks, we believe that the protection we offer to little bustards and other endangered species can make a valuable contribution towards preserving the environment and habitats.



People

Working hand in hand for a better future

How do we play our part in making power
production more environmentally friendly?
Only with the help of a strong team!



ATTRACTIVE EMPLOYER

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 404-2

Working hand in hand, we create an environment where employees feel valued, respected and happy, and where they can grow and develop professionally.

Personnel matters are handled centrally by the Human Resources team in Hamburg, which reports directly to the CIO/COO. The HR Department deals with a wide range of tasks, most of which can be assigned to one of three pillars in our personnel strategy – recruiting talent, developing talent and retaining talent.

COOL EARTH CLUB

As an employer, we aim to be better than our competitors. We've developed a sustainable employer branding strategy to help us position Encavis on the job market as an attractive employer. During the reporting year, we redesigned the careers page on our website and founded the Cool Earth Club to help us achieve our aim. The Cool Earth Club is a group of optimists who are united by a common passion for renewable energy and who pursue a common goal: to conquer the climate crisis.

DEVELOPING AND PROMOTING TALENT

Providing regular upskilling and advanced training opportunities for our employees is vital to the success of our company and lays the groundwork for sustainable professional development.

Our senior executives conduct annual performance reviews with each employee where they not only agree on specific targets, but also discuss individual professional development goals and the qualifications needed to achieve them. Specifically, development opportunities are discussed here that are relevant both for the employee's current position and for their next possible career step. Besides specialist training programmes, employees can also choose workshops and courses that focus on personal development. In the reporting year, we once again asked our senior executives to remind their teams about the wide range of advanced training programmes on offer and actively encourage them to engage with these opportunities. For more information, please read our 2023 ESG report.



Material topic Employees

Goal: Ensuring a high level of satisfaction among our employees by continuously achieving an Employee Net Promoter Score of more than 8 on a scale of 1 to 10



Goal: Maintaining a high level of professional and personal expertise in our workforce, and expanding and professionalising the range of advanced training courses and programmes we offer



on track



Personnel strategy



ESG Report
2023

EQUAL TREATMENT

We are keenly aware of our social responsibility and are committed to ensuring equal treatment and equal opportunities for all employees. Providing equal treatment also means making sure our salary structures are fair and transparent, with no gender pay gap.

In 2023, we commissioned an external consultant to evaluate our remuneration structures for the first time in the company's history. In particular, we asked them to look closely at gender equality and identify any potential discrimination factors in the salaries we pay.

The gender pay gap analysis for the 2023 reporting year is based on data from Encavis AG and from Encavis Asset Management AG. The consultant analysed data from a total of 188 employees and senior executives. Of these, 59% were male and 41% were female. The direct annual salaries in the analysis included the basic monthly wage each employee receives (times twelve) plus any variable annual bonus payment plus any variable long-term incentive (LTI). The direct salary was defined in a way that allowed for comparison in order to uncover any potential discriminatory factors.

The descriptive analysis calculated the unadjusted gender pay gap as the difference between the average salary for all men and the average salary for all women. In order to remove explanatory factors (e.g. how high or low a job role ranks) from the equation, the adjusted gender pay gap was calculated using an econometrical analysis. The results of this analysis were similar for both companies.

Our descriptive analysis lumped together the salaries of all men and all women, which meant the results were heavily impacted by distribution effects. The results showed that our unadjusted gender pay gap is largely due to having a very low proportion of women in more qualified roles and in positions of responsibility. This is a phenomenon which affects companies in all industries, and is rooted in structural and cultural causes.

Once adjusted, the gender pay gap did not reveal any statistically significant results. When analysing sub-groups of the overall population, the salaries of single individuals can have a heavy impact wherever the total number of employees is low. This can lead to major fluctuations in the results. Further, the low number of employees and the broad dispersion of our salary data severely limited the number of utilisable determinants at our disposal. The analysis also investigated how part-time work and parental leave impacted employees' salaries. No structural discrimination was evident here. We calculate part-time salaries on a pro rata basis, and parental leave does not negatively impact salary increases.

We are proud that the results show our salary policy to be fair and in line with equal pay principles. However, we're also aware that there is still room for improvement, particularly when it comes to increasing the proportion of women we appoint to positions of responsibility. To remedy the situation and avoid gender pay gaps, we have taken (and will continue to take) the following steps:

- » We monitor our recruiting processes regularly to ensure they are not discriminatory and to make sure we recruit, promote and offer professional development opportunities to our staff on the basis of objective criteria.
- » We monitor our salary data and pay grade data on a regular basis to catch rogue results and identify and rectify possible imbalances.
- » We monitor every case of part-time work and every leave of absence to ensure salaries are adequately adjusted.
- » We review our diversity strategy on a regular basis to ensure it is working effectively. The aim of this strategy is to promote and reinforce diversity and inclusion within the company. We take action during every salary review to ensure salaries are adjusted fairly and without gender discrimination. This includes:
 - » Monitoring proposed salary adjustments to ensure they are gender neutral – in other words, that no distinction is made systematically between genders.
 - » Ensuring employees on parental leave are treated fairly by adjusting their salaries in line with market developments and in line with their performance reviews.
 - » Ensuring employees who work part time are treated fairly by adjusting their salaries in proportion to the number of hours they work and in line with their performance reviews.



Code of Conduct

- » Monitoring 'rogue results' in each of the different pay grades and taking positioning into account as a cross-comparison when allocating budgets to ensure salaries are differentiated in an appropriate manner.

We're convinced these measures will help us further improve gender equality in our company and make us even more attractive as an employer. We plan to monitor our remuneration policy on a regular basis and adjust it in line with the principles of equal pay.



Anti-discrimination guidelines

HUMAN RIGHTS AND DIVERSITY

As detailed in our Code of Conduct, we're committed to creating an unbiased work environment that is marked by respect. This plays a central role in our corporate culture. We observe human rights and take action to safeguard them in line with the UN Guiding Principles on Business and Human Rights ('Protect, Respect and Remedy'). We reject all forms of discrimination and display tact and respect in the way we handle diversity in the workforce. We are opposed to forced labour and child labour and attach great importance to constructive dialogue between our employees and corporate management. We embrace and comply with ILO work standards and laws, in particular those relating to remuneration, working hours and the general rights of our employees.

We are deeply committed to democracy, equal opportunities and human rights. Our Management Board positioned itself on LinkedIn with this statement early on in 2024.



ESG Report 2023

'We place a high value on the diversity that ensues when people with widely differing backgrounds work together. Every day, we experience in our company how valuable and enriching it is when people of different orientations work together as a team. We want it to stay this way.'

It's diversity and the colourful pot-pourri of experiences and backgrounds that makes our team so strong. In order to make sure it stays this way, we drew up anti-discrimination guidelines in the reporting year. These now apply throughout the entire company. Any violations of the guidelines can be reported anonymously using our whistleblower system. In addition, we've been working on diversity guidelines that we plan to implement in 2024. Facts and figures on diversity in our company are detailed in our 2023 ESG report.

PULSE CHECK – HOW ARE YOU DOING?

Our aim is to create a work atmosphere where everyone feels comfortable, happy and productive. To gauge our success in this field, we call on our employees four times each year to complete an anonymous survey. How do they feel personally? How productive are employees when working from home, how productive when working in the office? How satisfied are they with their work? Would they recommend Encavis as an employer (Employee Net Promoter Score)? Employees can supplement their answers with their own comments and as little or much detail as they like. After

the results of the surveys are evaluated, we present them to our employees. Following the surveys, which continued in 2023, the HR department discusses possible measures with the Management Board. The feasibility of these measures is then assessed and, if they pass the feasibility check, they are implemented. For more information on the results, please see the 2023 ESG report.

SAFETY FIRST: OCCUPATIONAL HEALTH AND SAFETY

We attach great importance to the health and safety of our employees.

In the reporting year, our new occupational health and safety manager conducted a status-quo analysis of the HSE standards that are already anchored in our company.

Our senior executives act as role models for occupational health and safety. To support them in this role, we organised a workshop for senior management to sensitise them more fully to their duty of care and their obligation to monitor and supervise health and safety measures. During the workshop, managers learned about the laws, regulations and standards that apply at work. Various special subjects, such as deputising responsibility and the responsibilities involved in operating plants, were also explained and explored in detail. Besides concentrating on our duty of care towards employees, the focus extended to the responsibility we bear towards stakeholders and other interested parties (e.g. service providers and neighbours of our wind farms and solar parks). In future, we plan to organise regular workshops for senior executives and the managing directors of our parks.



Occupational Health and Safety Directive

During the reporting year, we conducted an in-depth analysis of the status quo in order to assess and analyse the health and safety situation at all the wind farms and solar parks in our portfolio. One special area of focus within this analysis was on updating our risk assessment.

We also conducted an in-depth analysis of our fire protection standards. The results of this analysis led us to update our documentation and implement new, nationwide fire safety standards.

During the pandemic we used an online training platform called 'PreSys' for the health and safety training programmes we're legally required to deliver. We replaced this in the reporting year with a new training programme, initially at our Hamburg site. We're offering the new training programme not only online, but also as classroom teaching to provide scope for face-to-face interaction and direct feedback. The new training model will help us establish a common understanding of values and the potential for intrinsic motivation when it comes to occupational health and safety. We recorded this in 2023 in our Health & Safety Guidelines.

Besides offering our employees eye tests and flu vaccinations, we took various further measures to promote the health of our employees last year. For example, when we renovated our premises in Hamburg we furnished all offices with height-adjustable desks and ergonomic office chairs. Then, after the renovation work was finished, we offered all employees individual appointments to advise them on ergonomics and good posture in the workplace.

In 2023, we also established an on-site Health Week event with a range of offers including yoga and sports classes, massages and nutrition advice.

In future, we plan to take a closer look at 'Reporting' as a sub-area within the field of occupational health and safety. Our aim is to raise awareness amongst our employees and service providers and encourage them to report dangerous situations and 'close calls'. Once made aware of such incidents, we'll be able to derive suitable countermeasures to identify and eliminate areas of danger.



SOCIAL COMMITMENT

GRI 3-3

We want to give something back to society and be proactive in making a positive contribution to this world.

SUPPORTING SOPOWERFUL

We began supporting Sopowerful in 2021. This charity establishes small solar projects in south-east Africa, where the electrification rate in rural regions is just 5%. At an event we call 'Lunch & Learn', the charity's director Stefano Cruccu gave our team inspiring insights into the projects that Sopowerful has instigated, impressively demonstrating just what a difference a few solar panels can make for supplying small villages in countries like Malawi with electricity. For example, a small solar plant in a hospital can provide it with a reliable, low-emission electricity supply so that medicines and vaccines can be stored safely. Solar-operated pumps provide running water, while electricity in schools opens the door to new learning opportunities.

CHRISTMAS GIFTS FOR THE 'ARK'

During the run-up to Christmas, 50 brightly coloured wish lists from the 'Ark' were delivered to our Hamburg offices. Within the space of just a few hours, suitable donors were matched to each wish list. Fortified by mulled wine and Christmas biscuits, the colleagues later met to wrap up the gifts and deliver them to the Ark right on time for Christmas – lighting up the eyes of 50 children as each opened the gift they'd specifically requested.

RUNNING FOR A GOOD CAUSE


Once again in 2023, our colleagues joined the biggest charity fun run in North Germany and crossed the finishing line in Hamburg under clear blue skies and sunshine. In Munich, colleagues participated once again in the B2Run race.



Material topic
Social commitment

Goal: Embracing our social responsibility



 on track

ELLI AND PHIL DISCOVER THE SOLAR PARK

It all started with an idea for a narrative: two little bees, living in a solar park – where they not only meet lots of other animals and plants, but also a sheep who explains the technology behind the solar panels. Just a few months later, the idea had taken shape. The two bees now had names, Elli and Phil, and together with Friso (the sheep) and Leo (the sand lizard), they frolicked and played not only in our imaginations, but also in our very own Encavis children's book.



Encavis children's
book

The book, entitled 'Elli and Phil discover the solar park', is not for sale in bookshops. The aim of the initiative is to introduce children playfully to the world of renewable energy. We've already distributed several thousand copies of the book to primary schools that are located close to our solar parks in Germany, as well as to various charitable organisations that work with children – some of whom otherwise have little access to reading materials. Last but not least, we distributed copies of the book to our employees and others who have expressed interest in renewable energy.

We even designed a small website to complement the book. This offers more information on the subject of renewable energy as well as pictures of Elli, Phil, Friso and Leo for children to print out and colour in.





GIVING BACK WEEK 2023

Over the course of the reporting year, we once again engaged with various projects, organised by our Sustainability Task Force, to benefit the community and the environment.

In Neubiberg, we took care of the nature garden's meadow area and the waterside vegetation of the nearby lake.

In Höhenkirchen-Siegertsbrunn, we transformed the garden of the Alte Apotheke Family Centre into an oasis.

In Hamburg, we helped the Hanseatic Help charity to sort clothes for needy people in the city and for humanitarian aid deliveries to crisis regions.

In Ottobrunn, we lent a hand in the 'Klawotte Kinder und Kreativ' shop to help the staff – most of whom are volunteers – package home-made jam into Christmas gift bags.



In Hamburg, we collected several hundred kilos of apples from the orchard belonging to the BUND environmental organisation and then helped weed and clear up the grounds, leaving them spick and span.

In Hamburg-Billstedt, we supported the 'Ark' children's foundation. Being a task we particularly enjoy, we're repeat offenders here! This year, our staff rolled their sleeves up to help with the ongoing renovation work.

In Hamburg-Altona, armed with litter pickers and bin bags, we collected more than 20 kg of rubbish from the highways and byways.

In Unterföhring, in the Chelonia Refuge Centre for Turtles – the largest of its kind in Germany – we helped build a rescue centre for reptiles and a winterproof enclosure for turtles inside a greenhouse.

In Hamburg, we helped the Hamburg food bank deliver meals to citizens in need.



Governance

Good governance creates a secure environment

During the reporting year, our main areas of focus in the field of governance were on professionalising our compliance management system and on compliance with defined standards along our value chains.



COMPLIANCE MANAGEMENT SYSTEM

GRI 2-24, 2-25, 3-3

Our compliance management system, chaired by the Speaker of the Board, is an important component of our sound corporate management. The Speaker reports regularly to the chair of the Supervisory Board as well as the chair of the ESG and audit committee.

COMPLIANCE WITH LAWS AND REGULATIONS

For our compliance management system, we set ourselves relevant goals, develop and improve our compliance framework and communicate key guidelines. Our compliance work includes introducing policies and measures to reduce risk and avoid violations.

Our corporate governance principles are detailed in our corporate directive, which is approved by our Management Board, published on our Encavis intranet and openly accessible to all employees. They include, amongst other things, our Code of Conduct, our health & safety policy and our anti-discrimination guidelines. We provide training and guidance to ensure our employees understand our policies. The training we provide to our employees contains practical examples for guidance.

Being keenly aware that good corporate governance plays a key role in generating a corporate culture that is responsible and profitable, our Supervisory Board once again examined these areas extensively during the reporting year. Pursuant to Article 161 of the Stock Corporation Act, the Management Board and the Supervisory Board issued their annual declaration on the recommendations of the German Corporate Governance Code. These binding recommendations are permanently available on our website. Here you will also find the corporate governance report drawn up by the Management Board and the Supervisory Board. Further, we identify with the principles detailed in the UNGC (United Nations Global Compact).

Despite taking every precaution, we're aware that violations can still occur. In the event that our guidelines have been violated, or government laws and regulations have been broken, witnesses can register their complaint or suspicions anonymously via our whistleblower system. Outside of the company, we examine processes that relate to compliance as part of our annual audits.

We did not identify any compliance risks during the reporting year. For a detailed overview, please see our 2023 ESG Report.



Material topic Responsible corporate management

Goal: Professionalisation of the compliance management system

👉 on track



ESG Report
2023

DATA PROTECTION AND IT SECURITY

The IT department is responsible for the security of our IT. The team reports to the CIO/COO. Our data protection officer monitors compliance with the GDPR and helps senior management to implement measures that are relevant to data protection. We have certification from VdS Schadenverhütung GmbH for our IT security (VdS 10000 Office-IT) and for our data protection system (VdS 10010).

Our employees regularly complete IT security training modules where they learn not only general security information, but also review recent incidents within the company. These training programmes also focus on current attack vectors from the world of cyber crime. Our aim here is to identify ways to deflect cyber attacks and develop preventive measures. Thanks to the mix of topics the training modules cover, our employees have developed a high level of awareness for cyber safety.

CORPORATE RESPONSIBILITY DOESN'T END AT OUR DOORSTEP

GRI 2-23, 2-24, 3-3, 308-1, 408-1, 409-1, 414-1, 414-2

We take a holistic view and attach great importance to extending our due diligence along the entire supply chain.



Business Partner Code of Conduct

During the reporting year, we were once again able to identify potential risks along our value chain. Our aim is to minimise these risks and eliminate them entirely wherever possible. When selecting our business partners, most of whom are based in European countries, we attach great importance to reliability, quality, innovativeness, cost structures, economic stability, sustainability and compliance. Where raw materials are mined and processed in non-European countries, we and our partners are committed to ensuring that human rights are observed in the countries of origin.

INTERACTING WITH BUSINESS PARTNERS

In 2022, we established the Business Partner Code of Conduct (BPCC) as a fixed component of our onboarding process for new business partners. It lays the groundwork for responsible collaboration and is based on the principles of the United Nations Global Compact (UNGC) as well as core labour standards defined by the International Labour Organization (ILO). During our onboarding process, we require our business partners to actively agree to our BPCC. This contains environmental, social and business ethic-related standards and criteria. All business partners must ensure that the minimum standards detailed in the BPCC are adhered to in their contractual relationship with us. For this purpose, they also forward the values and principles of our BPCC to any employees or companies they subcontract to perform tasks for Encavis and ensure compliance from such subcontractors ('supply chain compliance'). We investigate all negative comments (e.g. from the press). In the event of a suspected violation of our BPCC, we ask the business partner to actively help us resolve the situation. Depending on the severity of the violation, we reserve the



Material topic: Responsibility in the supply chain

Goal: Including the Business Partner Code of Conduct in 100% of new contracts concluded with business partners



Goal: Developing a directive for contractor companies and expanding our HSE reporting by the end of 2024.



Goal: Completing risk assessments for our major business partners with a particular focus on environmental and human rights aspects.



 on track  new target

right to respond in an appropriate manner. Appropriate responses include demanding that the business partner resolve the violation immediately, or – given due cause – claiming damages or terminating the contract with immediate effect for a significant reason.

Both human rights issues and environmental/labour standards are coordinated by our Sustainability & Communications department, which reports to the Speaker of the Board. This department liaises closely with various further departments to ensure Encavis AG fully discharges its due diligence responsibilities.

During the reporting year, we entered into business relationships with 40 new business partners. All of these have agreed in writing to comply with our BPCC. We did not identify any actual or potential violations by any of our suppliers.

PROTECTING HUMAN RIGHTS

Most of our suppliers are based in the European Union, where the observance of human rights is governed by national and European laws. Internationally recognised standards form part of the EU O&M plan. This includes freedom of association (unionisation), the prohibition of child labour and forced labour, and a commitment to combat discrimination, harassment and abuse. All these principles are documented in the BPCC and are non-negotiable.

We believe that the partners currently in our supply chain are highly unlikely to violate human rights. Nonetheless, we plan to conduct a further risk assessment next year as part of our sustainability work. This will place a special focus on factors such as which industry the supplier works in, how big the company is and which country it is based in.

HEALTH AND SAFETY

When we commission service providers, we attach great importance to high health and safety standards from the very early stages of our potential collaboration. Before entering one of our parks for the first time, we require service providers to undergo safety training instruction. When entering or leaving our wind farms or solar parks, we require them to inform the relevant operational manager of their entry or departure via a remote access system. Adherence to safety measures is evaluated at regular intervals. We regularly discuss and evaluate them with all our service providers so we can identify safety risks early on and avoid them.

Major work accidents on the grounds of our parks are reported immediately to the relevant operations manager. If they result in significant injury or damage, the relevant department must also be informed. However, thanks to extensive safety measures and the thorough safety training we offer, work accidents that result in significant injury or damage are rare. Encavis was not notified of any serious work accidents during the reporting year, nor of any work-related deaths.

During the 2024 business year, we plan to develop an additional directive, this time for contractor companies. In addition, we plan to expand our reporting to include incidents that class as near misses / close calls.

ENVIRONMENTAL STANDARDS

Our aim is to ensure that production along our entire supply chain is environmentally friendly and climate friendly. Because most of our emissions are attributable to the production and installation of our plants. More than 95% of the entire lifecycle emissions caused by our parks result from procuring the materials and manufacturing, transporting and constructing the components.

Different minerals and metals are used in the manufacture of our wind turbines and solar cells. Rare earths, iron, copper and other natural resources are mined and subsequently processed into certain components in our turbines and solar cells. These raw materials are finite, and the mining process is associated with various environmental risks and damage. In addition, the extraction and preparation processes for rare earths generate significant carbon emissions. Our electricity and water consumption is included in the critical assessment of our carbon footprint. There is also a potential risk involved in using 'conflict minerals' (i.e. materials sourced from mining regions in conflict territories or high-risk areas).

But decarbonising the supply chain and the associated switch to renewable energy is a challenge that no single company can solve by itself. Based on our experiences to date, we plan to liaise even more closely with our partners in future and develop precise methods for measuring carbon emissions along our supply chain.

A LAST LOOK BACK BEFORE WE MOVE ONE

The year 2023 flew by. It was packed with the milestones we've recorded in this report – because transparent reporting promotes a culture of open corporate communication.

As a leading independent electricity producer, we've successfully specialised in the acquisition and operation of wind farms and solar parks in various European countries. The goals outlined in this report are ambitious and will require our full dedication moving forwards. At the same time, we remain open for innovations and strive to grow our knowledge daily.

Nonetheless, it goes without saying that we can only reach our sustainability goals with the support and commitment of our stakeholders and our colleagues. All of you have helped us get to where we are today. Because challenges like this can only be mastered in a team.

Now we will continue striding into a sustainable future. Once again, thank you for joining us!

If you have any questions or suggestions, please let us know:

sustainability@encavis.com

GRI Index

Statement of use	Encavis AG has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standard / own declaration	Declaration	Reference to the Sustainability Report 2023 and/or ESG Report 2023 (page/link)	Notes	UN Global Compact Principles
GRI 2: General Disclosures 2021	2-1 Organizational details	Sustainability Journey Report 2023 p. 4, p. 5, p. 6 ESG Report 2023 p. 4		
	2-2 Entities included in the organization's sustainability reporting	Sustainability Journey Report 2023 p. 4 ESG Report 2023 p. 4		
	2-3 Reporting period, frequency and contact point	Sustainability Journey Report 2023 p. 4, p. 48 ESG Report 2023 p. 4, p. 41		
	2-4 Restatements of information		No corrections or restatements of information were made in the reporting period	
	2-5 External assurance		The report has not undergone an external audit	
	2-6 Activities, value chain and other business relationships	Sustainability Journey Report 2023 p. 6, p. 7		1-6, 7, 10
	2-7 Employees	ESG Report 2023 p. 24		6
	2-8 Workers who are not employees	ESG Report 2023 p. 24		
	2-9 Governance structure and composition	Sustainability Journey Report 2023 p. 10 ESG Report 2023 p. 31		
	2-10 Nomination and selection of the highest governance body		See https://www.encavis.com/governance	
	2-11 Chair of the highest governance body	ESG Report 2023 p. 31		

GRI Standard / own declaration	Declaration	Reference to the Sustainability Report 2023 and/or ESG Report 2023 (page/link)	Notes	UN Global Compact Principles
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Journey Report 2023 p. 10		
	2-13 Delegation of responsibility for managing impacts	Sustainability Journey Report 2023 p. 10		
	2-14 Role of the highest governance body in sustainability reporting	ESG Report 2023 p. 10		
	2-15 Conflicts of interest		See www.encavis.com/governance	15
	2-16 Communication of critical concerns		See www.encavis.com/governance	
	2-17 Collective knowledge of the highest governance body		See www.encavis.com/governance	
	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	ESG Report 2023 p. 31		
	2-20 Process to determine remuneration	ESG Report 2023 p. 31		
	2-21 Annual total compensation ratio		This indicator is currently not recorded	
	2-22 Statement of sustainable development strategy	Sustainability Journey Report 2023 p. 3 ESG Report 2023 p. 3		1-10
	2-23 Policy commitments		Encavis is committed to implementing the ten principles of the UN Global Compact	
	2-24 Embedding policy commitments	Sustainability Journey Report 2023 p. 36, p. 38, p. 39, p. 40		
	2-25 Processes to remediate negative impacts	Sustainability Journey Report 2023 p. 36		
	2-26 Mechanisms for seeking advice and raising concerns	ESG Report 2023 p. 33		
	2-27 Compliance with laws and regulations	ESG Report 2023 p. 32, p. 33	In the 2022 reporting year, no relevant fines were imposed on Encavis for non-compliance with laws and regulations	10
	2-28 Membership associations	ESG Report 2023 p. 34		
	2-29 Approach to stakeholder engagement	Sustainability Journey Report 2023 p. 11, p. 12		
	2-30 Collective bargaining agreements	ESG Report 2023 p. 27	The wages and salaries our employees receive are not based on collective bargaining agreements.	

GRI Standard / own declaration	Declaration	Reference to the Sustainability Report 2023 and/or ESG Report 2023 (page/link)	Notes	UN Global Compact Principles
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Journey Report 2023 p. 13, p. 14		
	3-2 List of material topics	Sustainability Journey Report 2023 p. 13, p. 14		
Material topic: Responsibility in the supply chain				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 38, p. 39, p. 40		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Journey Report 2023 p. 38, p. 39		4, 5, 6
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainability Journey Report 2023 p. 38, p. 39		2, 5
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Journey Report 2023 p. 38, p. 39		2, 4
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Journey Report 2023 p. 38, p. 39		1-6
Material topic: Responsible corporate management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 36, p. 37 ESG Report 2023 p. 32, p. 33		
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	ESG Report 2023 p. 32, p. 33		10
	205-2 Communication and training about anti-corruption guidelines and procedures	ESG Report 2023 p. 32, p. 33		10
	205-3 Confirmed incidents of corruption and actions	ESG Report 2023 32, p. 33		10
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Report 2023 p. 32, p. 33		

GRI Standard / own declaration	Declaration	Reference to the Sustainability Report 2023 and/or ESG Report 2023 (page/link)	Notes	UN Global Compact Principles
Material topic: Contribution to the energy transition				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 16		
Own Disclosure	Company-owned capacities	Sustainability Journey Report 2023 S. 16 ESG Report S. 7, S. 8, S. 9, S: 10, S. 11, S. 12, S. 13, S. 14		
Material topic: Operational Excellence				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 18, p. 19		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		See Annual Report	
	201-2 Financial implications and other risks and opportunities due to climate change		See Annual Report	
	201-4 Financial assistance received from government		See Annual Report	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		See Annual Report	
Material topic: Acquisition of new clients for the Asset Management segment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 17		
Own Disclosure	Acquisition of funds	Sustainability Journey Report 2023 S. 17 ESG Report 2023 S. 11		
Own Disclosure	Investments in capital gained through acquisition of funds	Sustainability Journey Report 2023 S. 17 ESG Report 2023 S. 18		
Material topic: Development of new business areas				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 20, p. 21		
Material topic: Employees				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 28, p. 29, p. 30, p. 31		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Report 2023 p. 25	See Occupational Health and Safety Directive	6
	401-3 Parental leave	ESG Report 2023 p. 24	See Occupational Health and Safety Directive	6

GRI Standard / own declaration	Declaration	Reference to the Sustainability Report 2023 and/or ESG Report 2023 (page/link)	Notes	UN Global Compact Principles
GRI 403: Occupational Health and Safety 2016	403-1 Occupational health and safety management system	Sustainability Journey Report 2023 p. 28, p. 30, p. 31 ESG Report 2023 p. 29	See Occupational Health and Safety Directive	
	403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Journey Report 2023 p. 28, p. 30, p. 31 ESG Report 2023 p. 29	See Occupational Health and Safety Directive	
	403-3 Occupational health services	Sustainability Journey Report 2023 p. 28, p. 30, p. 31 ESG Report 2023 p. 29	See Occupational Health and Safety Directive	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability Journey Report 2023 p. 28, p. 30, p. 31 ESG Report 2023 p. 29	See Occupational Health and Safety Directive	
	403-5 Worker training on occupational health and safety	Sustainability Journey Report 2023 p. 28, p. 30, p. 31 ESG Report 2023 p. 29	See Occupational Health and Safety Directive	
	403-6 Promotion of worker health	Sustainability Journey Report 2023 p. 28, p. 30, p. 31 ESG Report 2023 p. 29	See Occupational Health and Safety Directive	
	403-8 Workers covered by an occupational health and safety management system	ESG Report 2023 p. 29	See Occupational Health and Safety Directive	
	403-9 Work-related injuries	ESG Report 2023 p. 29		
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Report 2023 p. 28	
404-2 Programs for upgrading employee skills and transition assistance programs		Sustainability Journey Report 2023 p. 28 ESG Report 2023 p. 28		6
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Report 2023 p. 26, p. 31		6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and collective actions taken	ESG Report 2023 p. 27		6
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	ESG Report 2023 p. 27		
Material topic: Social commitment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 32, p. 33, p. 34		
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts		See Annual Report	

GRI Standard / own declaration	Declaration	Reference to the Sustainability Report 2023 and/or ESG Report 2023 (page/link)	Notes	UN Global Compact Principles
Material topic: Contribution to combatting climate change				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 23		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Report 2023 p. 21		7, 8, 9
	302-5 Reductions in energy requirements of products and services	ESG Report 2023 p. 21		7, 8, 9
GRI 305: Emissions	305-1 (Scope 1) GHG emissions	ESG Report 2023 p. 16, p. 17		7, 8, 9
	305-2 Energy indirect (Scope 2) GHG emission	ESG Report 2023 p. 16, p. 17		7, 8, 9
	305-3 Other indirect (Scope 3) GHG emissions	ESG Report 2023 p. 16, p. 18		7, 8, 9
	305-4 GHG emissions intensity	ESG Report 2023 p. 19		7, 8, 9
Material topic: Biodiversity and environmental impact				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Journey Report 2023 p. 24, p. 25, p. 26 ESG Report 2023 p. 22		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	ESG Report 2023 p. 22		7, 8, 9
	303-2 Management of water discharge-related impacts	ESG Report 2023 p. 22		7, 8, 9
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability Journey Report 2023 p. 24, p. 25, p. 26	See Biodiversity strategy	7, 8, 9
	304-2 Significant impacts of activities, products and services on biodiversity	Sustainability Journey Report 2023 p. 24, p. 25, p. 26	See Biodiversity strategy	7, 8, 9
	304-3 Habitats protected or restored	Sustainability Journey Report 2023 p. 24, p. 25, p. 26	See Biodiversity strategy	7, 8, 9
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability Journey Report 2023 p. 24, p. 25, p. 26	See Biodiversity strategy	7, 8, 9
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	ESG Report 2023 p. 22		7, 8, 9

COMPANY DETAILS

GRI 2-3

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