

2022 ESG REPORT

THE TRANSFORMATIONAL
POWER OF INVESTMENT

ASTERION
INDUSTRIAL

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1. LETTER FROM THE FOUNDERS



Dear Investor,

It is over four years since the inception of Asterion and we are prouder than ever that the growth of the platform continues to accelerate with our purpose, mission and vision intertwined with ESG at its core. With the growth in our own infrastructure as well as the size of our portfolio, our journey to progress on our ESG impact, including how we measure and report it, has come a long way in the last 12 months which we are excited to outline in the following report. If we concluded the 2021 ESG report with a commitment to build on a successful year of implementation with a sustainable, substantiated, and well-articulated ESG framework, 2022 is starting to show strong results connected to these efforts.

Within Asterion, we have grown the team since our last reporting date to over 40 today, observing the key elements that are central to our culture and values, in particular around diversity. In our view, ESG requires a team with diverse perspectives and experiences, who understand the materiality of ESG factors and are committed to making a positive impact. This approach is necessary for achieving strong investment outcomes that align with our values.

The newly introduced remuneration policy, including an ESG target-based component linked to incentives, has cemented further the accountability and alignment of ESG integrated in all parts of our investment thesis and processes. Simply put, we want to ensure ESG is as important a metric and measure as any others that we consider in an investment opportunity, so therefore performance should also be linked to delivering on these. We all recognise the value of creating a sustainable business for the future, not only to de-risk an investment, but also to serve as a better proposition for any new owner.

In our first year as an article 8 fund under the new SFDR regulation, we are very proud to continue to ensure that our new investments for Fund II meet the criteria of promoting positive impact. This includes efforts to reduce CO2 emissions and help to slow the effects of climate change, as well as our ongoing mission to reduce inequality through diversity and inclusion. We also aim to bridge social divide through improved communication access, provide transparency in our actions and advocate for shared success in our governance and incentives across our portfolio. The results of these are slowly starting to show. This report highlights not just our commitment to the transparency and compliance with the disclosures of the Principal Adverse Impacts (PAIs) in 2021 and 2022, both at Fund and portfolio company level, but also the positive trajectory of the KPIs put in place to track the progress.

In this regard, 2022 was notable in our contribution to build out renewable generation in Europe, with over 8GW of capacity at different stages of development being invested in by the end of 2022, saving 526K tons of CO2 emissions for the year. As part of the energy transition and our strong belief in the requirement for flexible generation to continue to accelerate the preponderance of renewable energy, we were able to contribute with 5GW of flexible generation in 4 European markets through the end of 2022 mainly in the form of our natural gas investments. Our strong conviction, as exacerbated by the energy crisis, remains on ensuring a smooth transition away from fossil fuels while allowing for economies, systems, and populations to function, thrive and grow. Connectivity and helping to bring equal internet access to households across Europe remains a similarly dominant theme, where our KPIs are tracking ahead of 2021 with 11k rural network connections, passing over 1.2 million homes in the UK, Ireland and Spain and more than 68MW of data centre capacity in 9 countries globally, meaningfully up from 2021. We have incorporated governance best-practice across the portfolio, with the implementation of ESG policies and ESG action plans to improve KPIs further, while continuing to align our approach to shared success through the implementation of broad reaching management equity plans (MEPs).

Looking to the future and the next 12 months ahead, we remain excited about the outlook for the ESG journey at Asterion and continue to believe we can bring an industrial angle to making our impact even greater. Learning from the experience of the last year, we believe the environment will continue to be volatile and the changing landscape, structural or situational, will require not just strong industrial and operational stewardship, but ever more importantly, a careful lens on the societal impact of investments that perhaps was less in focus in times of more stable market and geopolitical conditions. While sadly the reality of the devastating conflict in Europe and the knock-on effects in the wider market prevail one year on from last writing, we believe that the themes central to our investment strategy around a rapid energy transition, strengthening of digital and social infrastructure and more effective, sustainable and efficient mobility continue to be reinforced.

We hope you enjoy reading this report and continue to follow the ESG progress across our portfolio and at Asterion itself.

Yours sincerely,



Jesús Olmos Clavijo



Winnie Wutte



Guido Mitrani

2022 ASTERION HIGHLIGHTS



39 employees
(31 in 2021)



16 Nationalities



Strengthened ESG team
& internal ESG processes



Updated Travel Policy
to include ESG guidelines



Supported 5 projects as
part of Asterion for Local
Communities' program,
with an aggregated reach of
15,000 people



51% of women



1st year with ESG targets
linked to remuneration
of whole Asterion team



147.28 tn CO2 Eq of total
carbon footprint of Asterion and
3.8 tn CO2 Eq per employee
(82.3 tn CO2 Eq and 4.1 tn CO2
Eq per employee in 2019,
pre-pandemic year)



Managing capital from over
50 global institutions
across 4 continents (incl.
pensioners, insurances,
endowments)

2022 PORTFOLIO HIGHLIGHTS



2 funds & a dedicated Co-investment strategy



15 portfolio companiesⁱ with strong local presence across 5 countries



6.6k employees across our portfolio



1.3k GWh of renewable energy generated within portfolio and additional 8.2 GWh of renewable pipeline being developed



526k Tons of CO₂ emissions avoided through renewable energy generation



c1.2M homes passed with fibre in rural areas in the UK, Ireland and Spain



c6m meters installed for energy efficiency across France and the UK (heat & water submeters).



11K rural network connections (radiolinks) that give accessⁱⁱ to digital services to 82% of the Spanish population



68MW installed capacity to access best in class digital service across 49 Data Centres in 9 countries



33% of board positions of our portfolio companies are held by women (compared to 29% in 2021)



Equity-like incentive plans across 92% of portfolio companies for shared success, with broad based employee coverageⁱⁱⁱ

ⁱ 15 portfolio companies across multiple transactions with a number of transactions having been completed as part of the platforms that are counted as one. Please note the most recent deal within the ETS platform (Samsø), completed in December 2022, does not have an ESG summary in this report.

ⁱⁱ Please note that "having access" to AxióN/Lineox services, means the services are readily available for customers, but not all such customers necessarily make use of the services being offered.

ⁱⁱⁱ Excluding two companies where MEP is not applicable.

3. ABOUT ASTERION

Asterion Industrial Partners is an independent investment management firm focusing on infrastructure investments in the European mid-market. Its strategy is mainly focused on the telecom, energy & utilities and mobility sectors, across Iberia, Italy, France, and the UK (opportunistically rest of Europe). Headquartered in Madrid and with presence in London, Asterion combines transactional and operational experience with an industrial approach and active asset management within an independent and nimble platform. Asterion aims to promote operational transparency, responsible investment practices, best-in-class governance, and a strong culture both for itself and in the companies in which it invests.

As of December 2022, Asterion has c€5bn in assets under management across two funds (Asterion Industrial Infra Fund I FCR and Asterion Industrial Infra Fund II FCR) and through its co-investment program.

Since its inception, Asterion has **aimed to become a reference in the sector by inspiring change**, especially through its corporate culture and unique way of doing things “The Asterion Way”. As such, Asterion’s founders envisioned the firm as being able to bring together the financial capability of investors, the industrial knowledge and experience of Asterion’s team, and deliver value creation and social impact through its investment activity. This idea can be summarized in Asterion’s corporate purpose of delivering differentiated risk adjusted returns using “**the transformational power of investment**” to make an impact while fostering a very strong culture.

CORPORATE PURPOSE, MISSION AND VISION

PURPOSE

Use the transformational power of investment to make an impact acting with our unique culture

MISSION

Deliver differentiated returns to investors applying our unique proposition

VISION

Create long term value for critical & sustainable European infrastructure

At Asterion, we stand by our values in everything we do, from the way our internal processes are implemented, to how we conduct business, and how we relate with the different stakeholders. Our values are rooted in demonstrating that we can be successful with our culture and because of our culture.

These values are aligned across the team, our portfolio and with our partners. In doing so, our team fosters diversity and inclusion, and our approach is committed to alignment of interests, transparency, and partnership. We believe this is not only required to deliver our business model, but essential in terms of being able to use the transformational power of investment to make a positive impact. Asterion strives to be a change agent in society, partnering with its portfolio companies to create best-in-class businesses that not only deliver high quality services but also do it in a way that is sensitive to how their actions affect society (its employees, the environment, local communities, etc.).

The Asterion Way is founded on a **strong set of values** built around three core verticals: (i) people: head and heart team, (ii) investors & stakeholders: agile and aligned partner and (iii) portfolio: change agent in society.

OUR VALUES AND PILLARS



Head & Heart Team

PEOPLE

- We are excellent, tenacious and passionate at what we do
- We are and we look for diverse, genuine and good people
- We like to challenge, motivate and enjoy working together



Agile & Aligned Partner

INVESTORS & STAKEHOLDERS

- We align our interests with investors with full transparency
- We build long term relationships based on the word given
- We are focused and make agile decisions



Change Agent In Society

PORTFOLIO

- We contribute to a greener and sustainable economy
- We embrace rigorous ESG practices in the portfolio
- We empower our portfolio partners and share success

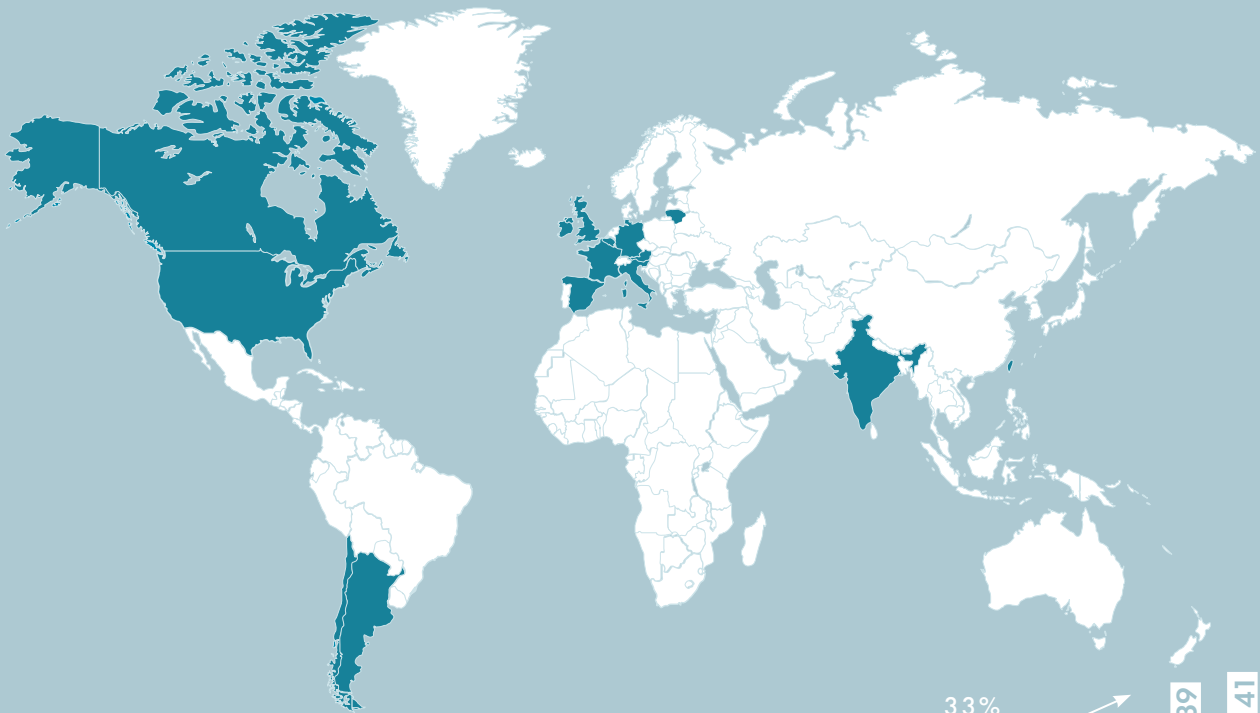
Our values are rooted in demonstrating that we can be successful with our culture in this industry

Asterion's key differentiator, its **industrial approach**, together with the **strong culture and way of working**, is intimately linked to the team and how it has been built.

As of December 2022, Asterion's team was comprised of 39 professionals, hand-picked through the founders' network, with diverse backgrounds that convey financial and industrial experience. 51% of the team are women and 16 nationalities¹ are represented within the team.

Diverse and experienced team

Data as of December 2022.

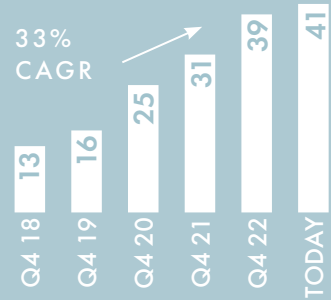


16

Nationalities

39

Team Members



Team Growth

51%

Female representation

>80%

Of Senior Investment Team With Industrial Experience

>600

Years Of Collective Experience

¹ Dual nationalities have been considered in order to calculate this indicator

3.1 OUR COMMITMENT TO ESG

Asterion believes it is its duty to responsibly manage its third-party capital by positively contributing to the broader economy, the environment and society through the management of its portfolio companies and of Asterion as a company itself. To that end, **our commitment to ESG management is central to our strategy and fully integrated in all investment processes and operations.** Asterion gives us the opportunity to use **the transformational power of investment to contribute to improving society** while delivering attractive returns to our investors.

As evidence of this commitment, Asterion **became a signatory of UN's Principles for Responsible Investment in February 2020** and follows its guidelines throughout its investment, portfolio management and divestment processes, as well as within the management of the company. The firm also follows **ILPA industry guidelines and best practices to foster transparency and good governance.**

Regarding the **Sustainable Finance Disclosure Regulation (SFDR)**, Asterion's **Fund II is registered by the Spanish regulator (CNMV) as an Article 8 fund**, being one of the first private market funds to achieve this classification in Spain. Being an Article 8 fund certifies that the fund promotes environmental or social characteristics, as well as good governance practices within its investments.

According to Asterion's framework, which will be further articulated in the following pages, Asterion's Fund II investments promote environmental and/or social characteristics as well as good governance practices.

Asterion's Fund I had already closed its fundraising process and was practically fully invested when SFDR came into force, hence, it has not yet sought classification under one of the SFDR articles².

Fund I and Fund II have the same strategy, hence, Asterion is applying the same ESG approach and reporting standards, which it intends to continue regardless of the final classification of Fund I under SFDR.

² Asterion is monitoring the situation and guidelines from the regulator.

THE SUSTAINABLE FINANCE DISCLOSURE REGULATION

Effective since March 2021, the Sustainable Finance Disclosure Regulation (better known as SFDR), is a European legislation that aims to improve transparency levels of sustainable investments enabling investors to make well-informed decisions by providing comparable reporting for all financial products.

Asterion Fund II as Article 8 fund, is required, among others, to follow or comply with the following obligations, either at fund or portfolio level:

ASTERION MUST INVEST IN COMPANIES THAT:



Promote environmental and/or social characteristics



Have good governance practices

AT FUND LEVEL, ASTERION MUST:



Integrate sustainability risks into decision-making



Measure, manage and disclose information on the promotion of environmental or social characteristics

3.2 OUR STRATEGY & APPROACH

At Asterion we see our ESG value creation being delivered through 2 key aspects:

1 | INTRINSIC SOCIAL AND ENVIRONMENTAL CONTRIBUTION THROUGH OUR INVESTMENT THEMES

Given the nature of our investment strategy and our focus themes, Asterion, through its investments, directly contributes to providing essential public services as well as having an important and direct impact on economic growth, society, suppliers, customers, employees, and the environment in the communities in which they operate. Through our asset selection as underpinned by

our disciplined and differentiated strategy, we are contributing to the acceleration of the energy transition, decarbonisation of the economy and the development of energy efficient solutions, as well as providing digital access and connectivity to all, including rural and remote areas that had no previous connection.

Through our investment themes and strategy, Asterion not only provides critical services to our society but also contributes to key sustainability objectives, aspects which have proven to be increasingly important in the past years.

Reach and contribution of Asterion's activity today:



Over 6,6k employees across Asterion's portfolio; 4 new corporate organizations created



Equity-like incentive plans across 92% of portfolio companies for shared success, with broad based employee coverage¹



10.5k GWh of energy generated in 2022, of which 12% comes from renewable sources (1.3k GWh)



c6m meters installed for energy efficiency across France and the UK (heat & water submeters)



8.2 GW of operational and under development green & renewable energy investment in 4 European Countries. 526K Tones of CO2 emissions avoided in 2022 through renewable energy generation



Bridging the digital gap through c1.2m homes passed with fibre in rural areas in the UK, Ireland and Spain



11k rural network connections (radiolinks) that give access² to digital services to 82% of the Spanish rural population



68MW installed capacity to access best in class digital services across 49 Data Centres in 9 countries

¹ Excluding two companies where MEP is not applicable

² Please note that "having access" to Axi3n/Lineox services, means the services are readily available for customers, but not all such customers necessarily make use of the services

2

APPLYING ESG THROUGH GOVERNANCE, PROCESS INTEGRATION & ACTIVE ASSET MANAGEMENT

In addition to our investment themes' intrinsic social and environmental value, we believe that as investors and owners of these businesses, it is in our hands to promote and further enhance our impact through an active and positive governance model. For this, Asterion has put in place an internal process to ensure ESG is integrated across our investment process as well as a governance structure that involves the whole Asterion team³.

ASTERION'S ESG TEAM

In alignment with Asterion's commitment to best-in-class ESG management, we count with a governance structure that guarantees ESG is being considered across our investment strategy and adding value in every stage of the process. ESG integration is a shared responsibility among all employees at Asterion, with the investment team being responsible for ESG management in their investments.

However, to ensure robustness of the process and consistency across portfolio companies, Asterion's ESG team provides constant support and promotes ESG values across all teams. The ESG team is comprised by Asterion's ESG Ambassador and Founding Partner, who oversees the implementation of the strategy, Asterion's ESG Manager and Principal and one of Asterion's Analysts.



Winnie Wutte
Founding Partner
& ESG Ambassador



Mónica Olmos
Principal
& ESG Manager



Laia Gispert
Analyst
& ESG Analyst

In the first instance, investment teams, with the support of the ESG team and the help of external experts, are required to perform an ESG due diligence before every acquisition to assess potential red flags and help put in place a post-acquisition ESG plan.

During the post-acquisition phase, the investment team is responsible for the implementation of Asterion's minimum ESG requirements within all portfolio value creation plans. Among these requirements are, the **definition of an internal ESG governance structure**, the **development of a minimum set of internal policies** and the **development and implementation of an ESG Action Plan** (including actions and targets regarding **emissions reduction, diversity & inclusion, and shared success**, as well as other material topics for their business activity), among others. The Investment Committee and Portfolio Management Committee, together with the ESG Team oversee and support this process.

³Detailed information related to the ESG integration process and governance followed by the Asterion team is described in our Responsible Investment Policy, available in our website.

3.3 THE ASTERION WAY & OUR CONTRIBUTION TO THE SDGS

The Sustainable Development Goals (SDGs) adopted by all United Nations Member States in 2015, provide a shared Agenda for 2030 for Sustainable Development through a collection of 17 interlinked global goals designed to “provide a shared blueprint for peace and prosperity for people and the planet, now and into the future”.

We at Asterion, are committed and aligned with the SDGs to help address major global challenges. Our most direct impact is related to SDG 9, which is fostered through our investment themes.



Building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation.

In addition, as a way to determine our ESG priorities, we have selected three SDGs which are strongly aligned with our culture and how we manage Asterion and our portfolio companies. These are: "reduce inequality"(10) "climate action" (13) and "effective, accountable and inclusive institutions" (16). Aligned with these goals, we have developed a set of priorities in line with The Asterion Way that are integrated within our strategy at fund level. These priorities are outlined in the table below:

The Asterion Way

ESG Priorities

Description

Contribution to SDGs

ROAD TO DECARBONISATION

Development of a decarbonisation roadmap aligned with the EU climate goals. Measure, reduce and offset.



Take urgent action to combat climate change and its impacts

FOSTER DIVERSITY & INCLUSION

Promotion of diversity and inclusion through the development of action plans and initiatives. Based on different types of diversity (gender, age, background, nationality), and with a focus at Board level.



Reduce inequality within and among countries.

SHARED SUCCESS & TRANSPARENCY

Implementation of incentive plans (equity-based or other) that promote positive governance and strong alignment of interests. Promoting the inclusion of wider employee base.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

4. PROGRESS MADE AT ASTERION IN 2022

Since inception in 2018, Asterion has been working to ensure it is accountable with the same high standards it requires from its portfolio companies by fostering “The Asterion Way” in how we manage our firm. For this, we have been working on the implementation of several internal and external actions, trying to create a positive impact for all our stakeholders.

Below please find more details on the progress we have made during 2022 on several ESG related topics that are key for us:

ENVIRONMENT: MANAGING OUR CARBON FOOTPRINT

Asterion is committed to the fight against climate change and emissions management as one of its ESG strategy key priorities. As a first step, the company has been measuring its carbon footprint since 2019, shortly after inception (which happened in September 2018), using the GHG Protocol⁴.

The Greenhouse Gas (GHG) emissions Protocol is the main standard for understanding the impact of the company's activity on climate change, as well as tracking the evolution of GHG emissions over time. Today, Asterion is focused on measuring, analysing and understanding its carbon footprint, identifying areas for improvement, and selecting priorities to take proactive steps towards reducing emissions.

As such, Asterion has once again calculated Scope 1, 2 and 3 of its carbon footprint for 2022. However, this year, the company has taken an additional step forward by improving its reporting process and encompassing a larger scope of categories within scope 3, as well as emissions from its portfolio companies.

Below please find a summary of the scope of the carbon footprint measured over the years, following GHG Protocol categories:



⁴The GHG Protocol is a widely used international accounting tool for calculating and managing greenhouse gas emissions. The GHG Protocol measures and tracks the emissions of six greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). These gases are categorized into three scopes: Scope 1 includes emissions from sources that are directly owned or controlled by the reporting organization, Scope 2 includes emissions from purchased energy, and Scope 3 includes all other indirect emissions that are a result of the organization's activities, including emissions from the supply chain, employee commuting, and waste disposal.

CARBON FOOTPRINT RANGE

		2019	2020	2021	2022	
N° OF EMPLOYEES		16	25	31	39	
SCOPES / CATEGORIES	SCOPE 1	Emissions from stationary combustion ¹	-	-	-	-
		Emissions from mobile combustion	●	●	●	●
		Fugitive emissions	●	●	●	●
		Emissions from manufacture or processing activities	N/A	N/A	N/A	N/A
	SCOPE 2	Purchased electricity	●	●	●	●
		Other source of energy purchased	N/A	N/A	N/A	N/A
	SCOPE 3	(6) - Business travel	●	●	●	●
		(7) - Employee commuting	●	●	●	●
		(1) - Purchased goods and services	-	-	-	●
		1.1 Goods	-	-	-	●
		1.2 Services	-	-	-	●
		(2) - Capital goods / assets ²	N/M	N/M	N/M	N/M
		(3) - Fuel- and energy-related emissions	N/A	N/A	N/A	N/A
		(4) - Upstream transportation and distribution	N/A	N/A	N/A	N/A
		(5) - Waste generated in operations ²	N/M	N/M	N/M	N/M
		(8) - Upstream leased assets	N/A	N/A	N/A	N/A
		(9) - Downstream transportation and distribution	N/A	N/A	N/A	N/A
		(10) - Processing of sold products	N/A	N/A	N/A	N/A
		(11) - Use of sold products	N/A	N/A	N/A	N/A
(12) - End-of-life treatment of sold products		N/A	N/A	N/A	N/A	
(13) - Downstream leased assets		N/A	N/A	N/A	N/A	
(14) - Franchises	N/A	N/A	N/A	N/A		
(15) - Investments	-	-	-	●		

¹ Emissions from stationary combustion does not apply to Asterion today, however this may change in the future

² Asterion has not measured categories 2 and 5 of Scope 3 given the non-meaningful impact of these emissions, however this may change in the future.

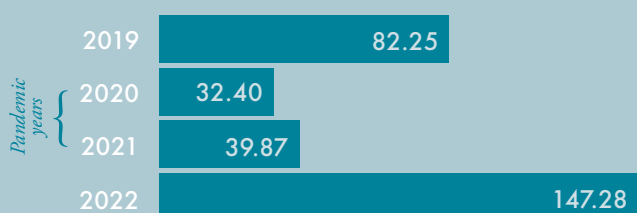
Legend
 N/M Not meaningful
 N/A Not applicable
 "-" Not included in the scope

Asterion Management Company's (MC) carbon footprint

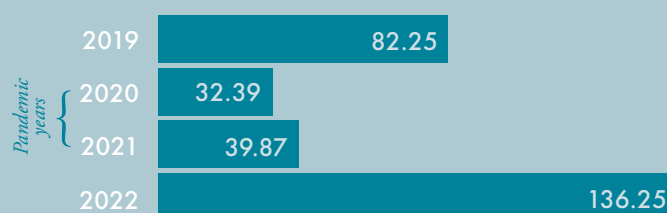
Regarding the below analysis, we have excluded our portfolio companies' carbon footprint from Asterion's Scope 3 emissions. Given the difference in size of the total emissions from Asterion MC and total emissions from the portfolio, the latest are shown in a separate section on a standalone basis.

Asterion total carbon footprint for 2022 (excluding portfolio) is 147.28 tCO₂e.

Graph 1. Annual evolution of Asterion's footprint 2019-2022 (tCO₂e)
 - increased perimeter in 2022

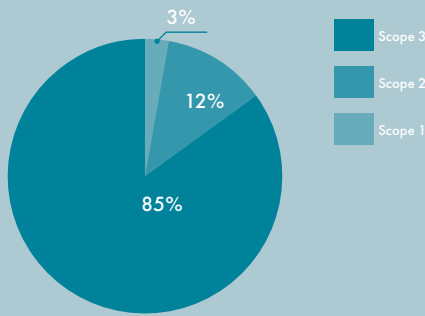


Graph 2. Annual evolution of Asterion's footprint 2019-2022 (tCO₂e)
 - constant perimeter since 2019

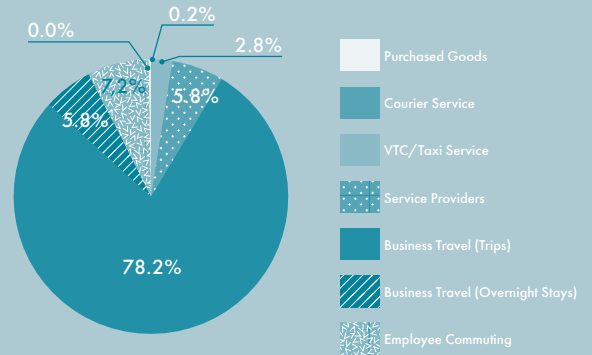


As illustrated in Graph 1, Asterion's emissions have increased by 79% since 2019 (pre-pandemic year), from 82.25 tCO₂e to 147.28 tCO₂e. In addition to the expansion of the firm (from 16 employees to 39), the use of a much larger office space and the growth of its operations, this increase is also explained by the effort made to broaden the scope of GHG emissions measurement this year. If we look at Graph 2, which considers only the scope of the emission sources inventory taken in 2019, the increase is lower, 62% (increasing to 136.25).

Graph 3: Carbon footprint 2022 (tCO₂e) by scope



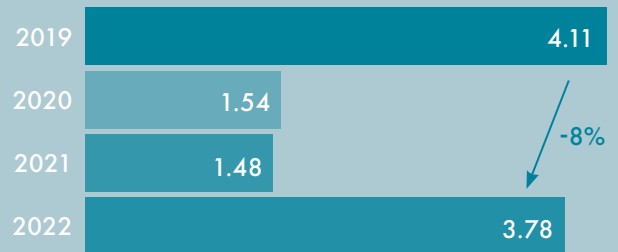
Graph 4: Weight of each emission source within Scope 3 emissions (tCO₂e)



Asterion's most relevant source of emissions are those coming from Scope 3⁵, which generate 85% of the organisation's carbon footprint. Within Scope 3, the most significant source of emissions is business travel, which increased by 43% compared to 2019 (pre-pandemic year) and the contracting of services, for which there is still no comparison as it is one of the new categories that has been added to the scope. Despite the general increase of emissions generated by Asterion's business travel, in terms of intensity, the ratio of travel emissions per employee has decreased from 3.68 tCO₂e to 2.70 tCO₂e/emp between 2019 and 2022.

Asterion's total carbon intensity per employee increased by 2.3 points compared to the previous year, although compared to 2019, the year before the pandemic, the intensity decreases from 4.11tCO₂e to 3.78tCO₂e, showing a decreasing trend despite the significant company growth and despite the additional categories included as part of this year's measurement. The levels of GHG emissions in 2020 and 2021 are highly influenced by the drop in activity (mainly business travel and commuting) caused by the pandemic.

Graph 5: Annual evolution 2019-2022 of total emissions per employee (tCO₂e)



The effect of the Covid 19 pandemic does not allow definitive conclusions to be drawn on the available data. However, we believe that the carbon footprint measurement carried out in 2022 can serve as a very good basis for defining a realistic mitigation plan in line with the company's commitment.

Regarding its climate commitments, Asterion is continuing to progress. Permanent changes in the environment (regulatory, methodological and in our portfolio composition) together with the increase in environmental awareness coming from Asterion's team and from society as a whole, have led us to broaden the scope and ambition of our approach.

In this regard, as a first step, we have decided to deepen and expand as much as possible the calculation of our own carbon footprint as a fund management company including, for the first time, the carbon footprint of our portfolio.

⁵ Asterion's management company's scope 3 emissions consider the following categories: Purchased Goods, Courier Service, VTC/Taxi Service, Service Providers, Business Travel (trips), Business Travel (Overnight Stays) and Employee Commuting. Portfolio companies' footprint is also measured but reported on a standalone basis.

This will allow us to establish clearer, more concrete, and ambitious objectives for our emissions reduction plan, and to develop the necessary transition and climate resilience tools for our companies.

Our initial stated commitment last year to achieve net zero by 2030 was predicated on pushing to deliver for net zero within our own footprint as a Management Company and also trying to encourage portfolio adoption of this commitment as broadly as possible. With the growth of the portfolio and further complexity with the definition and scope of this commitment, we believe we now require a more in-depth analysis of our emissions management strategy for which we are working with an external advisor. We hope to be able to refine further our target ambitions with this analysis and define our next steps towards achieving our emissions management objectives. We believe that this approach will ensure that our actions are based on a well-informed strategy and will enable us to make meaningful progress towards our goal.

Asterion’s Portfolio Companies’ carbon footprint

All of our companies are measuring their footprint for scope 1 and scope 2 and some of them are measuring scope 3. This year, we have done a detailed analysis to better understand the footprint coming from our portfolio, as a first step towards a more active management.

Please find below a summary of the scope of the carbon footprint for 2022 of each of our portfolio companies:

● SCOPE 1 DIRECT EMISSION

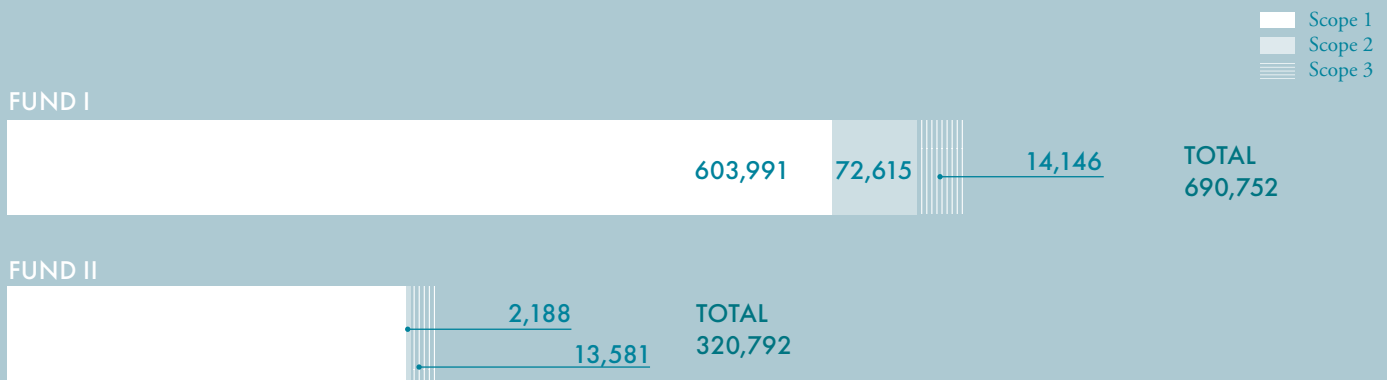
● SCOPE 2 INDIRECT EMISSIONS

● SCOPE 3 INDIRECT EMISSIONS VALUE CHAIN

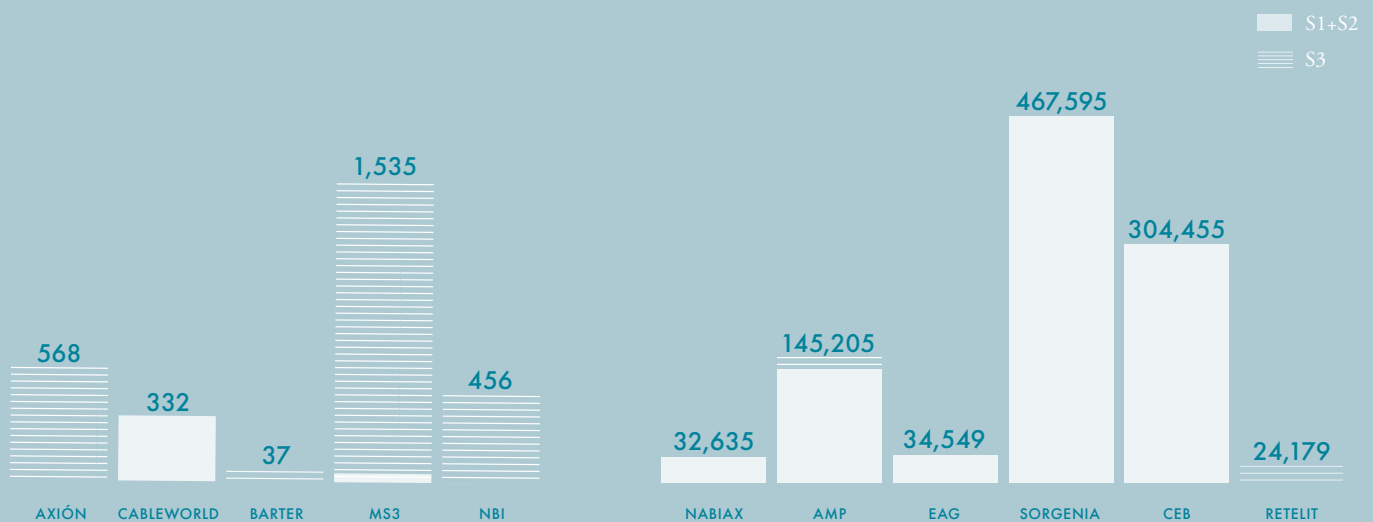
CARBON FOOTPRINT

		CARBON FOOTPRINT												
		NabiaX	amp	axion	energy	cableworld	organic	RETELIT	BARTER	M3	NBI			
SCOPES / CATEGORIES	SCOPE 1	Emissions from stationary combustion		●	●			●	●	●			●	
		Emissions from mobile combustion		●	●	●	●	●	●	●				●
		Fugitive emissions						●				●		
		Emissions from manufacture or processing activities		●	●		●	●	●					
	SCOPE 2	Purchased electricity	●	●	●		●	●	●	●	●	●		
		Other source of energy purchased							●					
	SCOPE 3	(1) - Purchased goods and services			●				●	●	●			●
		(2) - Capital goods / assets			●				●					
		(3) - Fuel- and energy-related emissions		●	●				●					●
		(4) - Upstream transportation and distribution			●				●		●			●
		(5) - Waste generated in operations			●	●			●		●			●
		(6) - Business travel		●	●				●	●	●			●
		(7) - Employee commuting			●	●			●	●	●			●
		(8) - Upstream leased assets							●					
		(9) - Downstream transportation and distribution							●					●
(10) - Processing of sold products														
(11) - Use of sold products														
(12) - End-of-life treatment of sold products												●		
(13) - Downstream leased assets							●							
(14) - Freanchises														
(15) - Investments														

Graph 6: Total Fund emissions¹(tCO₂e)



Graph 7: Total portfolio emissions attributable by company¹(tCO₂e)



¹Please note that total carbon emissions data shows the emissions attributable to each fund based on the % equity ownership of each investee (excluding co-investment). AMP's emissions represent the company's fiscal year until March 2022.

While specific numbers don't give us a lot of information, as expected, emissions of both funds are strongly influenced by the emissions produced by the energy generators.

Regarding our portfolio emissions, we continue to make progress in our measurement and reporting. In this context, Asterion is committed to expand the Scope 3 reporting across the portfolio to illustrate as many companies as possible, with the intention of reducing emissions over time. A more comprehensive measurement and mapping of our portfolio emissions will allow us to better define future actions within our investments.

SOCIAL: FOSTERING DIVERSITY & INCLUSION AND EMPLOYEE WELLBEING

Diversity and inclusion are key drivers of value for Asterion and are deeply integrated in the company's DNA. We truly believe a diverse team is better at assessing risks and opportunities, it gets to better outcomes, is more enriching and more fun. Asterion has been fostering diversity since inception and continues to do it within its team and that of its portfolio companies. This is reflected in the way our team has been assembled:

Data as of 31st of December 2022

16
Nationalities
(14% More Than 2021)



Diverse Ethnicities
& Backgrounds

51%
Of Women



Mix Of Industrial
& Financial Backgrounds



No Gender Pay Gap
& Equal Hiring Process

0%

Turnover rate in 2022
*(2 leavers since inception from
the Junior & Admin team)*



Diversity Of Age

39

Employees
(27% Growth From 2021)



Along these lines, in 2022, Asterion has updated its HR Policy including a specific section dedicated to 'Equal opportunities, diversity and inclusion' with the aim to further strengthen its commitment. In addition, Asterion **annually monitors internal equal pay statistics** and as of today we are proud to report there is no gender pay gap within our team. As part of our remuneration policy, all employees with similar responsibilities and experience have equal remuneration.

Employee wellbeing has been an important area of focus since inception, and it is promoted through the following initiatives:

- Be well: wellness check to promote a healthy lifestyle.
- Be flexible: flexible working schedule and no email policy after 8pm and before 8am.
- Be you: 1 personal day off per quarter.
- Be fresh: sabbatical period of 3 months after 6 years working at the Firm.
- Be fair: Asterion for Local Communities program, also open to employee participation.
- Be social: regular team offsites and events to promote our unique culture.
- Be green: different actions and communications to promote ESG at office level and raise awareness.
- Industrial Training: all junior members of the team to do a secondment at a portfolio company to gain industrial experience. Up to 2022, 3 members of the team have completed this training.
- Benefits package including health insurance, other insurance, parking, flexible compensation (to be used for childcare, restaurant, additional health insurance, Spanish lessons).

In order to ensure all employees are aware of and in compliance with best practices in our industry, Asterion implements, and has done so in 2022, **annual training sessions for all staff on key topics** such as anti-money laundering, cybersecurity, legal & tax, among others. All trainings were provided either by external advisors or by expert members of the Asterion team.

In addition, as part of our commitment to retain and develop our internal talent, we pay special attention to the **professional development of our employees** through the implementation of additional training sessions relevant to our operations and market trends.



GOVERNANCE: TRANSPARENCY AND ALIGNMENT WITH INDUSTRY GUIDELINES

Alignment with the requirements of the SFDR:

As previously mentioned, the formalization by the CNMV of Asterion's Fund II as Article 8 of the SFDR (Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector) represents a major milestone for the firm in its commitment to making ESG a fully integrated part of our approach as well as a central component of our culture and values. In this regard, we continue to work to enhance our reporting process and provide high quality data that reflects how we are promoting environmental and social characteristics in our investments.

ESG targets linked to our remuneration:

Since 2021, as part of its remuneration policy and to ensure alignment on ESG matters is fully observed and consistent within the organisation and its team, Asterion includes a variable component of 15% of the bonus linked to the achievement of ESG targets for all employees. These targets are based on (i) the individual's contribution to the firm's ESG objectives' attainment and strategy, and (ii) specific goals for each portfolio company, which are set by the ESG team in coordination with the investment team at the beginning of the year.

Responsible Investment Policy:

Since inception, the firm has adopted a formalised Responsible Investment Policy which defines the firm's commitment to ESG and its approach to integrate sustainability aspects throughout the entire investment process, as well as in the management of the firm and its employees. In an effort to ensure its alignment with the requirements or recommendations issued by regulatory bodies and the investors, this Policy has been periodically updated, last formally approved by the company's Board of Directors in May 2022.

Updated whistleblowing channel:

In 2022 Asterion has updated its whistleblowing channel to increase anonymity through an external provider (for internal and external stakeholders) and has provided specific communication and guidance on its use to all employees. The whistleblowing procedure is available for all employees and third parties working with Asterion at all times.

Working in alignment with industry bodies and guidelines:

Asterion believes collaboration and knowledge sharing is a key aspect when implementing ESG related capabilities. For this reason, the firm works in alignment with several industry bodies and international ESG and Sustainability guidelines in order to ensure consistency with the highest industry standards.

Partnerships and alignment with industry bodies:



Asterion is a signatory member of the UN's Principles for Responsible Investment (UNPRI) since February 21st, 2020.



Asterion follows ILPA industry guidelines and best practices to foster transparency, good governance, and alignment of interests with our investors and the market.



Asterion, the management company and its Funds, are regulated by the CNMV in Spain, applying best practices in governance, transparency and market trends.



(EU) 2019/2088

Asterion Industrial Infra Fund II FCR has been classified as promoting environmental or social characteristics, so-called "Article 8 product" under Regulation (EU)2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

International guidelines
as a reference:



Asterion's ESG material topics follow the SASB standards (Sustainability Accounting Standards Board) as a reference guide. These standards focus on financially material ESG issues.



Asterion is committed and aligned with the UN's Sustainable Development Goals to help address major global challenges as explained in previous sections of this report.



Asterion is collaborating with GRESB annual assessment in two of its portfolio companies (Proxiserve and Axi3n).

ENGAGEMENT WITH LOCAL COMMUNITIES: "ASTERION FOR LOCAL COMMUNITIES" PROGRAM

As an integral part of the communities in which we are present, we feel it is our responsibility and obligation to engage with and help to invest in them.

In 2020, we launched our program "Asterion for Local Communities", with the goal of sponsoring projects aligned with our values and which support our local communities. We encourage our employees to participate also on a personal level in these initiatives, either through the proposal of projects to be evaluated by our internal committee, or through personal contributions which will be matched by Asterion.

In line with our investment activity, the projects we have engaged with, are focused on addressing different forms of inequality, with a special focus on digitalization, as we believe bridging the digital gap is a critical tool to creating equal opportunities. We are very thankful to all the teams and foundations involved in these projects for their fantastic work and initiatives and for letting us be a part of it.

Asterion has an annual commitment to select and support projects that are aligned with our culture and values. **A summary of the projects that have been part of the Asterion for Local Communities program during 2022 can be found below:**



The team's collaboration with Norte Joven comes back a long way, as it started before Asterion's inception.

During 2022 we have supported the foundation on two projects with which Norte Joven seeks to promote the personal development and social and labour integration of young people at risk of social exclusion, with the main objective of facilitating access to training and employment.

Norte Joven is a non-profit that works for social and employment integration of people in vulnerable situations in Madrid, most of them young people between 16 and 25, through professional training and education to complete their basic schooling.

Asociaci3n Norte Joven.
[Click here for additional info.](#)



In addition to the previous collaborations with Norte Joven, after more than two years, we are extremely happy to have been able to resume our traditional annual lunch in support of the foundation, where we invited more than 100 guests.

This year we did it in partnership with Horcher Restaurant, who designed the menu that was prepared by Norte Joven students under Horcher's supervision.

Asociación Norte Joven. HORCHER
[Click here for additional info.](#)



Madrid Futuro is an initiative to rebuild Madrid after Covid-19 crisis, with a set of economic and social initiatives around the pillars of (i) Spanish language and culture, (ii) health and wellbeing and (iii) sports, and with a special focus on sustainability and the digital transformation of the city. The association was created in 2020 by 31 founding members and now has over 60, including Asterion and many high profile, Madrid-based companies in different sectors, and it is chaired by the city mayor. The close collaboration of the public and private sectors is a key element of this project.

ONG Madrid Futuro
[Click here for additional info.](#)



We have collaborated with Fundación Padre Garralda on their project "Casa Ucrania" (Ukraine home) which has provided Ukrainian refugees a stable and safe environment in which to live and help them to integrate into Spain. Since the conflict started, 77 women and children have been under the protection of the Foundation in Madrid, where they have received medical assistance, Spanish lessons -to overcome the first barrier to their integration-, psychological support, and a solid base to help rebuild their lives. The Foundation also provides support to validate their official qualifications to help them find employment and economic independence. At this time, more than half of the women have been able to return to Ukraine, while 12 women and children still remain with the Foundation. Most of these women are currently working with a part-time job in most cases and have a salary to contribute to their family maintenance in Ukraine. None of them have plans to return in the short and medium term, as they come from the most affected cities in the country.

Fundación Padre Garralda
[Click here for additional info.](#)



This year we have sponsored one of the events which have been part of the cultural initiative "Arte Entre Velas" in the Spanish town of Pedraza. This event was an exhibition of 28 art works from the collections of the MEAM (European Museum of Modern Art) that had its opening on the 4th of July.

Arte Entre Velas is a project that allows the public to get closer to the art world and learn about the artists, as well as absorb the cultural richness offered by the beautiful medieval town of Pedraza.

Asociación Arte Entre Velas
[Click here for additional info.](#)

5. PORTFOLIO COMPANIES' ESG PERFORMANCE IN 2022

This section of the report summarises the ESG progress made by our portfolio companies in a number of topics, focusing on those aligned with “The Asterion Way”. Since last year, we use a well-defined framework to implement and measure several KPIs from our portfolio, ensuring alignment with the SFDR, as well as other KPIs that we consider relevant for our industry and market. Our experience from last year has been used to improve the process and ensure we provide consistent and reliable data to our stakeholders.

ALIGNED WITH THE ASTERION WAY

In relation to our commitment to **reduce our CO2 emissions** in alignment with the EU decarbonisation goals, we encourage and support our portfolio companies to measure, analyse and create action plans to reduce their CO2 emissions with the goal of helping them on their road to Net Zero, in alignment with global objectives. In this regard, we are proud to say that 8 out of our 9 portfolio companies of Fund I are already measuring their carbon emissions¹¹. As for Fund II, of the 6 portfolio companies we have acquired so far, 5 are measuring their carbon footprint, while the remaining company, given that is a recent investment, is working on building a measurement system for the next reporting period.

89% OF FUND I
AND 83% OF FUND
II PORTFOLIO
COMPANIES ALREADY
MEASURE THEIR CO2
EMISSIONS

Additionally, as part of Asterion’s ESG internal process, 78% of our Fund I companies and 83% of Fund II companies have already incorporated a formalised ESG Action Plan or are in the final stages of developing one. These plans have been developed by each portfolio company (in many cases with the help of external advisors) considering each company’s most relevant ESG aspects as well as those aspects critical to Asterion, which have been captured through a set of specific actions and targets. It should be taken into account that those Fund II companies with no formalized ESG Action Plan in place are recent acquisitions in Asterion’s portfolio and have this topic as a priority for the coming months. Action plans also include specific identification of relevant KPIs material to each respective company that are then to be implemented, monitored and reported on an ongoing basis.

¹¹The remaining company, Asterion Energies, has been exited in 2022, and while emissions were not being yet measured, the company had defined and approved an ESG plan which included carbon footprint measurements during 2023 (Scope 1&2) and 2024 (scope 3).

CASE STUDY

AMP Clean Energy: Innovative low-carbon energy centre developed to support sustainable food production:

AMP Clean Energy, one of Asterion’s Fund I portfolio companies, has delivered, funded and is managing the biomass energy centre at Muntons’ Stowmarket facility which will decarbonise 100,000,000 kWh of heat demand each year – equivalent to decarbonising the heat of more than 8,000 homes per year.

The centre consists of a biomass boiler and Gas CHP system with waste heat recovery which interfaces with the site’s manufacturing processes. Further, Muntons’ biomass fuel source, in addition to being a low carbon energy source, comes from wood pellets made from locally sourced forest residues and thinning’s, contributing further to the sustainability of the operation.

The on-site renewable energy centre has helped the maltster to achieve its science-based targets – to reduce emissions by 45% by 2025 (based on 2010 levels) – ahead of schedule. Muntons are well on track to meet their aspiration to be carbon neutral by 2050. In this regard, Muntons is a finalist in the Edie Awards 2023 for Net-Zero Carbon Strategy of the Year, UK’s largest sustainability awards scheme and eagerly contested, with almost 500 entries for this year’s awards. And while not a winner, Mutons was also Highly Commented at the REA (Renewable Energy & clean Technology) Awards in 2022 with an honourable mention.



c16 thousand tonnes of carbon savings per year



Long term agreement reduces exposure to volatile energy prices



Fully funded £16.5 million biomass energy centre



33% OF BOARD POSITIONS OF OUR PORTFOLIO COMPANIES ARE HELD BY WOMEN (COMPARED TO 29% IN 2021)

Asterion actively engages with its portfolio companies in order to foster the development of **Diversity and Inclusion** plans and initiatives. To monitor the progress, we keep track of several diversity related KPIs, with special focus on the participation of women at board level, which in 2022 was 33% (compared to 29% in 2021) and the representation of different nationalities, backgrounds, ages, and ethnicities on the boards. In this context, we seek to enhance the diversity of our Portfolio's Boards of Directors to encompass a broad range of expertise, experience, and backgrounds. We believe that, in the same way as a diverse employee base, a diverse Board of Directors can strengthen its effectiveness in fulfilling its roles. Furthermore, as part of our investment process, we require all companies to develop a D&I Policy, as well as to monitor and report on employee gender pay gap.

CASE STUDY

National Broadband Ireland (NBI): RISE Global Foundation



NBI's partnership with the RISE Community Fund supports the company's strategic engagement with its rural stakeholders and demonstrates tangible support to boost the country's digital ecosystem and generate employment, factors which show NBI's support for key government policies.

The RISE Global Foundation was established by NBI Chairman David McCourt with a mission to combine technology with an entrepreneurial mindset to create jobs in rural communities. The foundation's foremost initiative is the RISE Community Fund, supported by NBI, which follows the route of the company's deployment of its new high-speed fibre broadband network, providing cash grants to small businesses, farms, community groups and social enterprises with plans to use technology to scale their impact.

In its mission to connect 1.1 million people in rural Ireland to high-speed broadband for the first time, NBI recognises that while the new infrastructure is a vital utility and critical first step, it alone can't solve all of the challenges. This is why the RISE Community Fund supported by NBI is engaging with local communities to empower rural organisations to harness technology and celebrate innovate use cases. .



Having launched in March 2022, the RISE Community Fund supported by NBI has already awarded over 60 cash grants and is working its way county-by-county across the entire country.

Finally, as part of our ongoing commitment to positive governance and strong alignment of interests, and thereby also creating transparent platforms for **shared success**, we have been able to successfully define and implement (or are in the process of implementing) Equity or Equity-like Management Incentive Programs in practically all our portfolio companies, of both, Asterion Fund I and Fund II⁷. Those plans have been shared with the senior management teams and extended deeper into the organizations when possible, allowing very broad participation. Importantly, in addition to helping to drive better outcomes, these programs ensure success is shared with the wider management teams.

**92% OF OUR
PORTFOLIO
COMPANIES HAVE
EQUITY OR EQUITY-
LIKE MANAGEMENT
INCENTIVE
PROGRAMS**

CASE STUDY

As Asterion begins to divest from the first acquisitions made by Fund I, our Shared Success strategy starts to become effective.

See below two examples of exits aligned with our approach to shared success:



Proxiserve (Exit in December 2022): During Asterion's ownership period, Proxiserve put in place a management equity program which included a total of 120 management positions as well as a three-year free shares plan for 100 additional managers (totalling around 6% of total employees under some sort of shared success program). When exiting the company, Asterion assured the sale of its shares to be structured alongside all managers included in the plan, enabling them to benefit from liquidity through the exit.

Furthermore, Proxiserve's employees have a participation of the company's profit under the program *Réserve Spéciale de Participation* in accordance with the Labour Code.



Asterion Energies (Exit in February 2023): Since inception, Asterion Energies devised a strong alignment of interest with local managers through minority equity stakes for each of the corresponding strategies. As the platform gradually developed, the company's broader management team overseeing the entire platform was created and granted an incentive plan based on a multiplier of the Money-on-Money return for Asterion.

After the successful exit of Asterion Energies, the management incentive plan not only provided attractive returns, but also allowed a broad participation benefitting all employees (22 participants or 100% of total full-time employees).

The strong alignment of incentives at local and centralized levels, along with wide participation in the plan allowed the company to be nimble and successful in each of the strategies, resulting in significant value creation for Asterion and shared success for all stakeholders.

⁷ Out of the nine portfolio companies in Fund I, seven have already implemented an equity-like management incentive plan or a long-term incentive plan with broad employee coverage, incorporating multi-year performance bonus based on various metrics, and one is in the process of implementing it (the remaining company is not eligible for the implementation of a MEP but a plan to distribute a bonus to 50% of employees in case of successful exit for AIP has been approved). Out of the six companies in Fund II, four companies have already implemented this program, and one is not eligible for the implementation of a MEP.

PORTFOLIO ALIGNMENT WITH THE SFDR

This year we have continued to focus on our compliance with the SFDR. On one hand, ensuring our Fund II investments promote environmental or social characteristics, in line with article 8. On the other hand, while Fund I has not been classified under one of the categories of the SFDR (article 6, 8 or 9), we have continued to work towards applying the same standards in Fund I as in Fund II.





ASTERION INDUSTRIAL INFRA FUND I: PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS

100% OF FUND I PORTFOLIO COMPANIES PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS, AS DESCRIBED IN THE TABLE BELOW, ACCORDING TO ASTERION'S FRAMEWORK.





Despite not being classified as an article 8 Fund, as part of our assessment, we have determined that Fund I portfolio companies promote environmental or social characteristics and follow good governance practices according to Asterion's framework. To support this statement, we have included the following table summarizing how the companies' activities promote environmental and/or social characteristics. For more detail on how these characteristics, as well as good governance practices, are promoted within the management of each company, please see "Portfolio progress" in Section 5 of the present report.

In the below table, the two key aspects through which Asterion promotes environmental and social characteristics are shown, which are (1) promotion of environmental & social characteristics through the intrinsic contribution of each company's activity and (2) promotion of environmental & social characteristics through the management of the company's operations.



ASTERION FUND I			
COMPANY	SFDR ARTICLE 8 FIT	PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS THROUGH THE INTRINSIC CONTRIBUTION OF OUR INVESTMENTS' ACTIVITY	PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS THROUGH ASTERION'S ACTIVE ASSET MANAGEMENT
 (EXITED IN 2022)	●	<p>Business that provides energy efficiency measures to 4.5 million households in France and supports the growing proportion of cleaner vehicles in France and Belgium through the installation of electric vehicle charging stations (EVCS).</p> <p>According to the EU Environmental Taxonomy, the installation, maintenance and repair of instruments and devices for energy efficiency and EV charging stations substantially contribute to Climate Change Mitigation and Adaptation's objectives.</p> <p>Impact of this investment is measured through the following KPIs: (i) # of newly installed heat submeters, (ii) energy savings from heat submeters (KWh/p.a) and (iii) number of energy efficient boilers installed. For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Proxiserve's progress report in Section 5 "Portfolio Progress", for further detail.</p>
 (EXITED IN 2022)	●	<p>As a renewables platform (solar and onshore wind), Asterion Energies contributes to the energy transition and supports the global target of avoiding temperature increase, in line with Paris Agreement.</p> <p>According to the EU Environmental Taxonomy, the electricity generation from wind power and solar PV technology substantially contributes to Climate Change Mitigation and Adaptation's objectives.</p> <p>Impact of this investment is measured through the following KPI: Avoided emissions (Tons CO2e). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Asterion Energies' progress report in Section 5 "Portfolio Progress", for further detail.</p>
 Hosting the future	●	<p>Through its platform of 15 data centres, Nabiax drives digitalization trends, enabling connectivity and access to content, particularly in regions of relatively low data penetration today.</p> <p>According to the EU Environmental Taxonomy, data processing, hosting & related activities are considered transitional activities supporting the transition to a climate-neutral economy, hence contributing to Climate Change Mitigation and Adaptation's objectives. Furthermore, the telecommunications (including the internet) sector is considered to have inherent social benefits for end-users, communities and societies, contributing by their nature to social objectives.</p> <p>Impact of this investment is measured through the following KPIs: (i) Installed capacity (MW) and (ii) Emissions avoided in the consumption of energy as a result of the use of renewable energy (Tons of CO2e). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Nabiax' progress report in Section 5 "Portfolio Progress", for further detail.</p>
	●	<p>Distributed energy platform providing low carbon energy solutions in the UK, with a particular focus on biomass heating, to support heat decarbonization, and peaking generation facilitating renewable generation deployment.</p> <p>According to the EU Environmental Taxonomy, the electricity generation from biomass substantially contributes to Climate Change Mitigation and Adaptation's objectives, as well as maintenance and repair of renewable energy technologies. AMP's peaking plants operated with natural gas, classified by EU as transition technology today, have high efficiency and are located in distribution networks close to the demand. Asterion considers this technology critical for the energy transition in the region as through its flexible generation it allows a further development of renewables. These peaking plants are a perfect combination to renewables as they can compensate for renewables' intermittence in generation.</p> <p>Impact of this investment is measured through the following KPIs: (i) Avoided Emissions through biomass generation (Tn of CO2) and (ii) Savings of grid losses (MWh). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to AMP's progress report in Section 5 "Portfolio Progress", for further detail.</p>
	●	<p>Business focused on bridging the rural digital divide, providing high quality internet connection (through radiolinks, towers and fibre), and enabling incumbent broadcasting and telecoms access.</p> <p>According to the Final Recommendation for the EU Social Taxonomy, the telecommunications (including internet) sector is considered to have inherent social benefits for end-users, communities and societies, contributing by their nature to social objectives.</p> <p>Impact of this investment is measured through the following KPI: Percentage of Spain's population with access to each the company's services (Broadcasting & Telecom). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Axion's progress report in Section 5 "Portfolio Progress", for further detail.</p>

ASTERION FUND I

COMPANY	SFDR ARTICLE 8 FIT	PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS THROUGH THE INTRINSIC CONTRIBUTION OF OUR INVESTMENTS' ACTIVITY	PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS THROUGH ASTERION'S ACTIVE ASSET MANAGEMENT
	<p>●</p>	<p>Through EAG's business activities in metering, network construction and asset adoption services, it provides assistance to the private and public sectors in the UK to improve their energy efficiency through ground-breaking technologies, data analytics and innovative customer-focused processes.</p> <p>According to the EU Environmental Taxonomy, the installation, maintenance and repair of instruments and devices for energy efficiency substantially contribute to Climate Change Mitigation and Adaptation's objectives. The construction of last mile electricity fibre and water connections is aligned with the Final Recommendation for the EU Social Taxonomy, which considers these services to have inherent social benefits for end-users, communities and societies, contributing by their nature to social objectives.</p> <p>Impact of this investment is measured through the following KPI: # of smart meters installed. For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to EAG's progress report in Section 5 "Portfolio Progress", for further detail.</p>
	<p>●</p>	<p>Business focused on bridging the rural digital divide through state-of-art fibre networks and services (more than 360K homes passed to rural fibre in Spain).</p> <p>According to the Final Recommendation for the EU Social Taxonomy, the telecommunications (including the internet) sector is considered to have inherent social benefits for end-users, communities and societies, contributing by their nature to social objectives.</p> <p>Impact of this investment is measured through the following KPI: # of homes passed. For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Cableworld's progress report in Section 5 "Portfolio Progress", for further detail.</p>
	<p>●</p>	<p>Integrated provider of energy transition technologies (gas and renewables) with installed capacity of c.5GW that will play a leading role in Italy's energy transition. In line with Italy's plans to remove coal from the mix by 2025, CCGTs are critical assets to allow for the energy transition (Italy has no nuclear), allowing for an increased presence of renewables while providing stability of supply. The importance of this technology for the country is also reflected in the capacity payments being received by CCGTs from the Italian government, to incentivize the maintenance of that gas capacity which is critical for the country. Additionally, a critical part of the value Asterion and F2i are bringing to the company is the contribution and development of renewables. The plan for the company under our ownership contemplates a bigger development and growth on the renewables side, while it is stable for installed capacity on CCGTs, reflecting the path and contribution towards the energy transition in the country.</p> <p>According to the EU Environmental Taxonomy, Sorgenia's electricity generation from bioenergy and wind power substantially contribute to Climate Change Mitigation and Adaptation's objectives. As per Sorgenia's CCGT business, currently natural gas is classified by the EU as transition technology.</p> <p>Impact of this investment is measured through the following KPIs: (i) Avoided Emissions through renewable generation (Tons CO2e) and (ii) Emission ratio of all Sorgenia assets (including CCGT, biomass and renewables) year by year (tCO2/MWh). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Sorgenia's progress report in Section 5 "Portfolio Progress", for further detail.</p>
	<p>●</p>	<p>Business driving digitalization trends, enabling connectivity and high-quality internet access and contributing to the growth in penetration and national fibre roll-out in Italy, a country that is severely fibre underpenetrated compared to the European average.</p> <p>According to the Final Recommendation for the EU Social Taxonomy, the telecommunications (including the internet) sector is considered to have inherent social benefits for end-users, communities and societies, contributing by their nature to social objectives. Retelit's "solutions" smaller division is eligible under the Taxonomy, according to which, information and communication, including computer programming, systems integration, consultancy and related activities support the transition to a climate-neutral economy, hence contributing to Climate Change Adaptation's objectives.</p> <p>Impact of this investment is measured through the following KPI: The sum of on-net sites connected (including: (i) Business customer sites, (ii) Towers on net and (iii) DC of other operators). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Retelit's progress report in Section 5 "Portfolio Progress", for further detail.</p>

ASTERION INDUSTRIAL INFRA FUND II: PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS





WE BELIEVE ALL FUND II PORTFOLIO COMPANIES SO FAR PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS, AS PER THE TABLE BELOW, ACCORDING TO ASTERION'S FRAMEWORK, AND HENCE, ARE ALIGNED WITH THE REQUIREMENTS OF SFDR ARTICLE 8.

As part of our assessment, we have determined that Fund II portfolio companies promote environmental or social characteristics and follow good governance practices according to Asterion's framework. To support this statement, we have included the following table summarizing how the companies' activities promote environmental and/or social characteristics. For more detail on how these characteristics, as well as good governance practices, are promoted within the management of each company, please see "Portfolio progress" in Section 5 of the present report.



In the below table, the two key aspects through which Asterion promotes environmental and social characteristics are shown, which are (1) promotion of environmental & social characteristics through the **intrinsic contribution of each company's activity** and (2) promotion of environmental & social characteristics through the **management of the company's operations**.



ASTERION FUND II

COMPANY	SFDR ARTICLE 8 FIT	PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS THROUGH THE INTRINSIC CONTRIBUTION OF OUR INVESTMENTS' ACTIVITY	PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS THROUGH ASTERION'S ACTIVE ASSET MANAGEMENT
 		<p>As the first investment of Asterion's ETS platform (Energy Transition Solutions), Barter creates solar communities that can access affordable 100% renewable energy without the need of building their own installation, bridging the gap between rooftop owners and nearby consumers who would like access to renewable energy. With the acquisition of Blaudrive in 2022, the company also offers, electric vehicle charging stations (EVCS), helping to decarbonise the transport sector.</p> <p>According to the EU Environmental Taxonomy, the electricity generation from solar PV technology and EV charging stations substantially contribute to Climate Change Mitigation and Adaptation's objectives.</p> <p>Impact of this investment is measured through the following KPI: Avoided emissions (Tons of CO2e). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Barter's progress report in Section 5 Portfolio Progress, for further detail.</p>
		<p>MS3 was created to challenge status quo and finally bring competition to the Hull connectivity market, until recently characterized by its monopolistic traits. Through its activity, MS3 contributes to bringing access to affordable internet to many deprived areas in the UK reducing the digital gap and creating jobs and training opportunities for young people.</p> <p>According to the Final Recommendation for the EU Social Taxonomy, the telecommunications (including the internet) sector is considered to have inherent social benefits for end-users, communities and societies, contributing by their nature to social objectives.</p> <p>Impact of this investment is measured through the following KPIs: (i) # of homes passed, (ii) # of homes connected and (iii) Implied per annum saving (£). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to MS3's progress report in Section 5 Portfolio Progress, for further detail.</p>
		<p>Same as in Fund I (page 31)</p>	<p>Same as in Fund I (page 31)</p>
		<p>CEB is a natural gas fired CCGT (combined cycle gas turbine) critical to the regional grid infrastructure that generates electricity in Brittany (France) with state-of-the-art technology, helping solve an increasing vulnerability of electricity supply in that region.</p> <p>Natural gas fired CCGTs are a key transition technology towards decarbonization that offer industry best-performance CO2 emissions standards and produce significantly less GHG emissions than traditional gas-powered plants. In addition, thanks to its attractive technological features, CEB ensures more economic dispatch and lower carbon footprint than most CCGT plants.</p> <p>The European Commission has included gas under the transitional activity category of the Taxonomy Regulation to "allow us to accelerate the shift from more polluting activities towards a climate-neutral future". However, to be considered a transitional activity, a set of criteria that any new gas-based power/heat plant needs to comply with, have been defined. CEB matches almost all the criteria to be considered as a transitional technology, and even though the emissions are above the threshold we believe the levels are justifiable as trade-off for grid capacity being provided, particularly in challenging times like 2022 and going forward, with the maintenance associated to nuclear ageing.</p> <p>In addition, the decision to build the plant comes from the French government's program to close down and replace a much more pollutant coal plant in the region, characterized by the increasing vulnerability of electricity supply. Impact of this investment is measured through the following KPI: Avoided emissions vs. coal plant (that is being substituted as plan of Government plan) (Tons of CO2e). For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to CEB's progress report in Section 5 Portfolio Progress, for further detail.</p>

ASTERION FUND II

COMPANY	SFDR ARTICLE 8 FIT	PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS THROUGH THE INTRINSIC CONTRIBUTION OF OUR INVESTMENTS' ACTIVITY	PROMOTION OF ENVIRONMENTAL & SOCIAL CHARACTERISTICS THROUGH ASTERION'S ACTIVE ASSET MANAGEMENT
	<p>●</p>	<p>Through its state-of-the-art fibre network and infrastructure, Olin Group is bridging the rural digital divide. Olin's fibre roll-out will focus on rural, low-density areas in Andalucía (south of Spain), serving over 37 municipalities and ensuring affordable internet access to its population, which is a critical element for communication and economic growth, as well as health and education through access to medical and teaching resources.</p> <p>According to the Final Recommendation for the EU Social Taxonomy, the telecommunications (including the internet) sector is considered to have inherent social benefits for end-users, communities and societies, contributing by their nature to social objectives.</p> <p>Impact of this investment is measured through the following KPI: # of homes passed. For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to Olin Group's progress report in Section 5 Portfolio Progress, for further detail.</p>
	<p>●</p>	<p>By delivering high speed broadband to Ireland's remote and underserved areas, NBI is reducing the digital divide and enabling affordable internet access in rural areas.</p> <p>According to the Final Recommendation for the EU Social Taxonomy, the telecommunications (including the internet) sector is considered to have inherent social benefits for end-users, communities and societies, contributing by their nature to social objectives.</p> <p>Impact of this investment is measured through the following KPI: # of homes passed. For more detail please refer to section 5 "Portfolio Progress".</p>	<p>Asterion and the management team are promoting environmental & social characteristics through governance, process integration and active asset management. Please refer to NBI's progress report in Section 5 Portfolio Progress, for further detail.</p>

PRINCIPAL ADVERSE IMPACTS 2022

In accordance with the SFDR regulation, from January 2023, all financial market participants must disclose progress on the regulation's performance indicators (known as Principal Adverse Impacts - PAIs) aggregated at Fund level. In an effort to anticipate future reporting obligations and ensure best-in-class reporting processes were in place when the obligation came into force, Asterion **voluntarily disclosed the PAI indicators starting last year and is now continuing to do so in compliance with applicable regulation** and based on lessons learnt from last year. In addition, in order to materialise our transparency efforts, we continue to report on selected KPIs at portfolio company level (including PAIs and other relevant ESG KPIs). KPIs for which we aim to **provide more complete, robust and relevant data each year.**

The tables below include the aggregated PAIs for Asterion's Fund I and Fund II for 2022.

Please note that Fund II PAIs were not reported in 2021 given the Fund held its final close only in February 2022.



ASTERION FUND I - PRINCIPAL ADVERSE IMPACTS

	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions ¹	t CO2 eq	529,423	534,881	614,650
	Scope 2: Indirect GHG emissions ¹	t CO2 eq	3,426	31,824	38,963
	Scope 3: Other indirect GHG emissions ¹	t CO2 eq	496	538	8,707
	Total GHG emissions (Scope 1, & 2) ¹	t CO2 eq	328,025	352,254	404,261
	Total emissions per €M invested (Carbon footprint) ²	t CO2 eq / M€	373	317	364
	GHG intensity of portfolio companies (emissions per €M invested in relation to company revenue) ³	t CO2 eq / M€	471	597	821
	Company active in the fossil fuel sector ⁴	%	0%	0%	0%
	Share of non-renewable energy consumption and production ⁵	%	56%	57%	61%
	Share of non-renewable energy consumption	%	31%	50%	57%
	Share of non-renewable energy production	%	52%	47%	54%
	Energy consumption intensity per high impact climate sector ⁶	GW/M€	4.13	3.71	4.17
	Activities negatively affecting biodiversity-sensitive areas ⁷	%	0%	0%	0%
	Emissions to water ⁸	TONS / M€	0.04	0.03	0.04
	Hazardous waste generated	TONS / M€	0.10	0.65	0.83
SOCIAL	Investments in companies without carbon emissions reduction initiatives	%	71%	71%	52%
	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	%	0%	0%	0%
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises ⁹	%	75%	75%	52%
	Unadjusted gender pay gap ¹⁰	%	15%	10%	6%
	Board gender diversity	%	33%	30%	33%
	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	%	0%	0%	0%
	Investments in companies without workplace accident prevention policies	%	0%	0%	0%
	Rate of accidents ¹¹	%	9%	7%	6%
	Number of days lost to injuries, accidents, fatalities or illness	N°	122	117	64
ADDITIONAL KPIS (NON-SFDR)	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0	0	0
	Incidents of discrimination	N°	0	0	0.13
	Appointed ESG manager/ team in place	%	43%	57%	88%
	Percentage of indefinite contracts (vs. total contracts)	%	96%	97%	96%
	Hours of training per employee ¹²	HOURS/EMPLOYEE	15	19	19
	Percentage of female staff over total workforce (including only full time employees)	%	29%	25%	25%
	Number of fatal accidents	N°	0	0	0
Level of development of internal policies in place according to AIP standard ¹³	%	N/D	N/D	66%	
Management equity /equity like incentive plan in place	%	50%	57%	100%	

Legend
N/D No data available
N/A Not applicable

Asterion's Fund I indicators for the FY22 report have been accurately calculated in accordance with SFDR's reporting methods. Asterion started reporting these indicators in 2021 on a voluntary basis. The data is not totally comparable with 2022 for two main reasons: 1) the scope of the data has been expanded given that portfolio companies have been working towards improving their data collection process, and 2) in 2020 and 2021 PAIs were weighted using the cost of investment, whereas in 2022, current value has been used in accordance to the SFDR guidelines. Note that the scope of the PAIs considers only Fund-level data (data in proportion to the fund's ownership of each company, excluding co-investment). This criteria is not used for the Additional voluntary KPIs (non-SFDR), instead these are an average over the total portfolio. Given Proxiserve's exit from Fund I in December 2022, it has not been included in the scope. Where a company has failed to provide information, the corresponding proportion of data has not been considered. Please note that the PAIs have been calculated by an external ESG expert, who has been supporting Asterion throughout the reporting process.

¹The emissions of scopes 1, 2 and 3 are calculated according to Asterion's percentage share in each of its portfolio companies. Please note that Total GHG emissions are not the sum of scopes one and two (scope 3 is not taken into account because it is optional). The formula used is: (Current value of the investment / enterprise value)*(Scope 1 + 2).

²Carbon footprint is calculated by dividing the total GHG emissions by the current value of all investments.

³To calculate the GHG intensity, the following formula used is: (current value of the company/ Asterion's total investment)*(Scope 1 + 2 / Company's revenue).

⁴There are no companies in Fund I that derive revenues from the exploration, extraction and distribution of hard coal and lignite, liquid fossil fuels or gaseous fossil fuels. On Asterion's 2021 ESG Report, an 11% of exposure to fossil fuel sector was reported due to a misinterpretation of the indicator. Please note that 2 out of 9 Fund I companies' activity is related to the production of energy through natural gas. These are Sorgenia and AMP Clean Energy.

⁵We have calculated the percentage of non-renewable energy over total energy, including energy produced and consumed, produced and sold, and purchased and consumed, pending further guidance/clarification on the formula included in the SFDR regulation.

⁶High impact climate sectors are those listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council. Sectors classified as a high impact climate sector should not reflect a negative implication for companies within them. Rather, this classification indicates that these sectors are more susceptible to climate risks due to their significant energy consumption levels required for operations.

⁷Only applicable to companies that perform an Environmental Impact Assessment (EIA). Answer provided by the EIA results.

⁸In order to calculate emissions to water, the following formula has been used: Estimate of liters of annual water consumed by one person (as reported by Spain's National Institute of Statistics), applied to the number of employees in each company and to the number of days worked, and multiplied by an estimate on water pollution (7.5×10^{-6} tons), also as reported by the Spanish National Institute of Statistics.

⁹A specific assessment on compliance with the OECD guidelines has not been carried out. Following an internal assessment that has been carried out to define compliance with this PAI, portfolio companies must have: Emissions reduction initiatives, a Code of Conduct and an Anti-Corruption Policy. Given that all the companies are in the EU or UK, it is understood that they operate without compromising the freedoms of their workers, nor that they employ child labour.

¹⁰The unadjusted gender pay gap refers to the difference in average earnings between men and women in the workforce. A positive gender pay gap indicates that men earn a higher average wage than women, while a negative gender pay gap suggests that women earn a higher average wage than men.

¹¹The type of accidents that have been considered include: Work incidents that result in injury, illness or disease, including occupational illness or disease and other types of incidents that may occur that are not work-related.

¹²The calculation of this indicator considers both, employees who left the company throughout the year and those who were hired after the beginning of the year.

¹³This indicator refers to an internal analysis Asterion carried out within its portfolio based on a set of minimum policies to be implemented in all the portfolio companies, as per Asterion's framework.

ASTERION FUND II - PRINCIPAL ADVERSE IMPACTS

	INDICATOR	UNIT	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions ¹	t CO2 eq	445,112
	Scope 2: Indirect GHG emissions ¹	t CO2 eq	2,219
	Scope 3: Other indirect GHG emissions ¹	t CO2 eq	16,203
	Total GHG emissions (Scope 1, & 2) ¹	t CO2 eq	211,349
	Total emissions per €M invested (Carbon footprint) ²	t CO2 eq / M€	295
	GHG intensity of investee companies (emissions per €M invested in relation to company revenue) ³	t CO2 eq / M€	202
	Company active in the fossil fuel sector ⁴	%	0%
	Share of non-renewable energy consumption and production ⁵	%	62%
	Share of non-renewable energy consumption	%	60%
	Share of non-renewable energy production	%	72%
	Energy consumption intensity per high impact climate sector ⁶	GWH/M€	1.03
	Activities negatively affecting biodiversity sensitive areas ⁷	%	0%
	Emissions to water ⁸	TONS / M€	0
	Hazardous waste generated	TONS / M€	0
	Investments in companies without carbon emissions reduction initiatives	%	24%
SOCIAL	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	%	0%
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises ⁹	%	24%
	Unadjusted gender pay gap ¹⁰	%	14%
	Board gender diversity	%	30%
	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	%	0%
	Investments in companies without workplace accident prevention policies	%	0%
	Rate of accidents ¹¹	%	0%
	Number of days lost to injuries, accidents, fatalities or illness	N ²	28
Number of convictions for violation of anti-corruption and anti-bribery laws	N ²	0	
Incidents of discrimination	N ²	0	
ADDITIONAL KPIS (NON-SFDR)	Appointed ESG manager/ team in place	%	100%
	Percentage of indefinite contracts (vs. total contracts)	%	99%
	Hours of training per employee ¹²	HOURS/EMPLOYEE	23
	Percentage of female staff over total workforce (including only full time employees)	%	32%
	Number of fatal accidents	N ²	0
	Level of development of internal policies in place according to AIP standard ¹³	%	57%
	Management equity /equity like incentive plan in place	%	83%

Asterion's Fund II indicators have been accurately calculated in accordance with SFDR's reporting methods, with 2022 being the first reporting year. Note that the scope of the PAIs considers only Fund-level data (data in proportion to the fund's ownership of each company, excluding co-investment). This criteria is not used for the Additional voluntary KPIs (non-SFDR), instead these are an average over the total portfolio.

Please note that the PAIs have been calculated by an external ESG expert, who has been supporting Asterion throughout the reporting process.

¹The emissions of scopes 1, 2 and 3 are calculated according to Asterion's percentage share in each of its portfolio companies. Please note that Total GHG emissions are not the sum of scopes one and two (scope 3 is not taken into account because it is optional). The formula used is: (Current value of the investment / enterprise value)*(Scope 1 + 2).

²Carbon footprint is calculated by dividing the total GHG emissions by the current value of all investments.

³To calculate the GHG intensity, the following formula used is: (current value of the company/ Asterion's total investment)*(Scope 1 + 2 / Company's revenue).

⁴There are no companies in Fund II that derive revenues from the exploration, extraction and distribution of hard coal and lignite, liquid fossil fuels or gaseous fossil fuels. Please note that CEB's activity, a natural gas-fired CCGT plant, is related to the production of energy through natural gas.

⁵We have calculated the percentage of non-renewable energy over total energy, including energy produced and consumed, produced and sold, and purchased and consumed, pending further guidance/clarification on the formula included in the SFDR regulation.

⁶High impact climate sectors are those listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council. Sectors classified as a high impact climate sector should not reflect a negative implication for companies within them. Rather, this classification indicates that these sectors are more susceptible to climate risks due to their significant energy consumption levels required for operations.

⁷Only applicable to companies that perform an Environmental Impact Assessment (EIA). Answer provided by the EIA results.

⁸In order to calculate emissions to water, the following formula has been used: Estimate of liters of annual water consumed by one person (as reported by Spain's National Institute of Statistics), applied to the number of employees in each company and to the number of days worked, and multiplied by an estimate on water pollution (7.5×10^{-6} tons), also as reported by the Spanish National Institute of Statistics.

⁹A specific assessment on compliance with the OECD guidelines has not been carried out. Following an internal assessment that has been carried out to define compliance with this PAI, portfolio companies must have: Emissions reduction initiatives, a Code of Conduct and an Anti-Corruption Policy. Given that all the companies are in the EU or UK, it is understood that they operate without compromising the freedoms of their workers, nor that they employ child labour.

¹⁰The unadjusted gender pay gap refers to the difference in average earnings between men and women in the workforce. A positive gender pay gap indicates that men earn a higher average wage than women, while a negative gender pay gap suggests that women earn a higher average wage than men.

¹¹The type of accidents that have been considered include: Work incidents that result in injury, illness or disease, including occupational illness or disease and other types of incidents that may occur that are not work-related.

¹²The calculation of this indicator considers both, employees who left the company throughout the year and those who were hired after the beginning of the year.

¹³This indicator refers to an internal analysis Asterion carried out within its portfolio based on a set of minimum policies to be implemented in all the portfolio companies, as per Asterion's framework.

PORTFOLIO PROGRESS IN 2022

THIS SECTION INCLUDES A BRIEF OVERVIEW OF THE PROGRESS MADE BY EACH OF OUR PORTFOLIO COMPANIES (FUND I AND FUND II) ON THE IMPLEMENTATION OF THEIR ESG STRATEGY DURING 2022, AS WELL AS SELECTED KPIS:

COMPANY DESCRIPTION & ESG RATIONALE

Please note that Proxiserve's exit was completed in December 2022, hence, the present report will be the last one to include detailed information on this company.

Proxiserve is a provider of energy efficiency and home services based in France, specialising in water and heat submetering, maintenance of boilers and heating systems, installation and maintenance of electric vehicle charging stations (EVCS) and supply and metering of electricity for large tertiary sites.

Its core business is focused on optimising energy and water consumption with 4.6 million meters installed in France. In particular, Proxiserve's submetering expertise plays a key role in delivering the EU's Energy Efficiency Directive, which targets a 32.5% reduction in energy consumption by 2030, by enabling average savings in household consumption of up to 25% for water and up to 20% for heat through individual metering.

The company's maintenance business inherently supports national energy goals upgrading heating equipment and installing heat pumps.

Impact KPI: Through the monitoring of the number of new heat submeters installed in homes with no previous metering system, Asterion aimed to quantify Proxiserve's environmental and social impact during the Fund's ownership. Meters allow for accurate measurement of individual energy consumption. By providing such information, this technology provides the opportunity for occupants to be responsible for their own consumption, actively steering and reducing overall consumption simply by changing their behaviour.

Impact during Asterion's ownership:

- Number of newly installed heat submeters (Heat Cost Allocators) since acquisition in 2019: 239k
- Estimate energy savings from heat submeters: c. 50m KWh/p.a.³
- Number of energy efficient boilers installed: 86k

Asterion Industrial Infra Fund I

INVESTMENT DATE:
March 2019

EXIT DATE:
December 2022

HEADQUARTERS:
Paris, France

WEBSITE:
www.proxiserve.fr

SECTOR:
Energy Services

NUMBER OF EMPLOYEES:
3,540¹

LTM 2022 SEPT. REVENUES:
€497m

COUNTRIES OF OPERATION:
France & Belgium

AIP % OWNERSHIP²:
38.7%
(co-controlling stake)

SDG CONTRIBUTION



¹ As of September 2022

² Including Asterion Fund I and co-investors

³ Using energy saving estimates from Ademe of 15% on a 100KWh/sqm/yr consumption and 4.5 HCAs per 60sqm.

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and has selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy management & carbon emissions
2. Waste management & circular economy
3. Employee retention and development
4. Health & Safety
5. Responsible supply chain
6. Engagement with local communities

ESG PERFORMANCE UPDATE

ESG is very well integrated into Proxiserve's strategy, culture and business. The company has a well-defined ESG strategy and policy which is approved by the Board of Directors, supervised by the Executive Committee and by two dedicated ESG professionals. ESG topics and objectives are discussed as part of the regular board meetings.

The company works with specific environmental and social policies and produces, and publishes an annual ESG Report, including, since 2020, the reporting of the full perimeter of businesses and subsidiaries. After the acquisition of Proxiserve in 2019 by Asterion and Vauban, the company became a member of GRESB, and annually completes their annual ESG assessment. The 2022 score was 82%, in line with previous year (81%).

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

The company reports on GHG emissions and has defined specific targets for 2025. Proxiserve has the objective to contain the increase of their GHG emissions to c. +1% per annum by 2025. The target revenue growth per annum for their Maintenance business is +4 to 5%. Therefore, the company's ambition is to limit the growth of GHG emissions significantly below the growth of their activities. Staff transportation to clients' sites is the main source of GHG emissions for the company, hence, the company has planned to gradually replace its vehicle fleet by less polluting alternatives. At the same time, Proxiserve is focused on reducing the yearly mileage of its vehicles and switching to more efficient operations.

DIVERSITY AND EQUAL OPPORTUNITIES

Proxiserve counts with an internal Diversity Policy and in February 2022 the company signed the agreement for gender professional parity and for quality of working life with its employee unions.

During Asterion's tenure, the number of board directors increased, becoming more gender diverse, from 25% to 40% of female directors, as well as increasing in diversity of professional backgrounds and nationalities.

SHARED SUCCESS

During Asterion's ownership period, Proxiserve put in place a management equity program which included a total of 120 management positions as well as a three-year free shares plan for 100 additional managers (totalling around 6% of total employees under some sort of shared success program). When exiting the company, Asterion assured the sale of its shares to be structured alongside all managers included in the plan, enabling them to benefit from liquidity through the exit.

Furthermore, Proxiserve's employees have a participation of the company's profit under the program Réserve Spéciale de Participation in accordance with the Labour Code. Additionally, during 2022, the company signed a collective agreement for non-management positions of a 5.6% pay increase (including variable bonuses and one-off payments).

OTHER RELEVANT ESG DEVELOPMENTS

Circular economy: On the recycling front, the company launched project Vestta, a center (in a rural and socially deprived area of northern France) where the less efficient heat boilers that Proxiserve replaces are dismantled and parts recovered and reused for maintenance. Up until today, the initiative has been a great success, both with clients and employees. The centre, which employs 11 people, counts with a very ambitious training and integration program to support new employees. Within the last two years the centre has reprocessed 8,500 boilers helping to reduce emissions and the use of resources.

With the aim of growing its capacity further, Proxiserve has signed a partnership with Société Immobilière Picarde, which undertakes to send all its replaced boilers for recycling at Vestta.

Certifications: Since 2019 Proxiserve's headquarters and maintenance agencies count with the ISO 14001 certification, which recognises environmental responsibility through its product and service offering. By January 2022 it increased the number of certified sites to 75 of its nationwide agencies (coverage has increased from 60% to 80% of maintenance branches).

ESG KPIS

Please note that due to Proxiserve's exit in December 2022, Asterion has not been able to collect ESG KPIs and PAIs information.

COMPANY DESCRIPTION & ESG RATIONALE

Please note that Asterion Energies' exit was completed in February 2023, hence, the present report will be the last one to include detailed information on this company.

Asterion Energies is a diversified European renewables platform created from scratch in 2019. Through its c.7.7GW of projects under development and 73MW already under operations, Asterion Energies has invested in proven technologies such as photovoltaic and onshore wind power, in Spain, France and Italy, with plans to continue deploying significant capital to take these projects to operation. As such, Asterion Energies contributes to the energy transition and supports the global target of avoiding temperature increase by providing sustainable and new green energy sources in the geographies where it is present, growing the installed capacity of renewable energy sources to achieve the ambitious target set by the EU.

Impact KPI: With the intention to quantify Asterion Energies' positive environmental impact, we measured the tones of emissions that were prevented from being emitted to the atmosphere during energy production thanks to the platform's activity, consequently contributing to the fight against climate change.

Impact so far during Asterion's ownership:

- **Avoided Emissions in 2022:** 19,695 tCO₂
- **Avoided Emissions since inception in May 2019:** 28,388 tCO₂

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Materials Sourcing (Supply chain transparency)
2. Environmental Impacts of Project Development
3. Avoided emissions
4. Local communities' development
5. Implementation of ESG policies for stakeholders to prevent risks

¹ Avoided emissions for Asterion Energies have been calculated comparing the amount of energy generated to the country's emission generation mix in each of the business units (Italy, France and Spain). Source for emission intensity: European Environmental Agency (<https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-10>), and generation mix for each country from power regulation/grid operator.

Asterion Industrial Infra Fund I

INVESTMENT DATE:

May 2019

EXIT DATE:

February 2023

HEADQUARTERS:

Madrid, Spain

WEBSITE:

www.asterionenergies.com

SECTOR:

Renewable Energy

NUMBER OF EMPLOYEES:

22
(45 incl. direct subcontractors)

2022 REVENUES:

€30m

COUNTRIES OF OPERATION:

Spain, France
& Italy

AIP % OWNERSHIP:

100%

SDG CONTRIBUTION



ESG PERFORMANCE UPDATE

Throughout 2022, Asterion Energies has **appointed an ESG responsible** who has worked, together with the rest of the areas, on the **development of an ESG Action Plan and ESG Policy** to enhance the integration of ESG practices through the company's activities. The plan was approved by the board in October and the Policy is on the process of being finalised.

Efforts in 2022 have focused on **continuing to develop best-in-class internal policies**, including ESG-related policies such as Data Protection, Sanctions, Criminal Prevention, Code of Conduct and Risk Map. While these policies and corresponding procedures have been approved and implemented this year in the Spanish business only, implementation in the rest of geographies (France and Italy) will happen in the course of 2023.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

As a renewables platform, Asterion Energies contributes to the energy transition by providing sustainable and new green energy sources in the geographies where it is present. Additionally, as included in its ESG Plan, it is also **committed to operating responsibly**, aiming to reduce its own carbon footprint. It is expected that the company will start measuring its footprint throughout 2023 (Scope 1 and 2).

DIVERSITY AND EQUAL OPPORTUNITIES

Asterion Energies is committed to adopting a strong governance model and aims to integrate diversity and inclusion within its culture. In this regard, in 2022, the company distributed a D&I survey across all employees with the aim of determining company diversity targets and actions based on the results obtained. One of Asterion Energies' priorities for 2023 is to finalise and approve the company's Diversity Policy, which has already been drafted.

SHARED SUCCESS

Since inception, Asterion Energies devised a strong alignment of interest with local managers through minority equity stakes for each of the corresponding strategies, creating a further incentive plan for the broader management team. After the exit of the company, the management incentive plan not only provided attractive returns, but also allowed a broad participation benefitting 100% of the employees. The strong alignment of incentives at local and centralized levels, along with wide participation in the plan allowed the company to be nimble and successful in each of the strategies, resulting in significant value creation for Asterion and shared success for all stakeholders (for further details on the success of Asterion Energies' incentive plan, please see "Exits aligned with Asterion's Shared Success" in Section 5 - Alignment with The Asterion Way - of this report).

OTHER RELEVANT ESG DEVELOPMENTS

Health and safety: Due to the change of office space, in 2022, the company has undergone a successful Occupational Risk Prevention inspection by an external party, leading to the implementation of additional improvements.

Local communities: Asterion Energies has established good relationships with the communities where it operates and contributes to generating a positive impact in their development. In this context, at an operational level, the company is already working with the local administrations and plans to prioritize local hiring during the construction phases when these begin and to contribute to the local development.

KPIs 2020-2022

	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO ₂ eq	N/D	N/D	N/D
	Scope 2: Indirect GHG emissions	t CO ₂ eq	N/D	N/D	N/D
	Scope 3: Other indirect GHG emissions	t CO ₂ eq	N/D	N/D	N/D
	Company active in the fossil fuel sector	YES/ NO	NO	NO	NO
	Share of non-renewable energy consumption	%	0%	0%	0%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO	NO	NO
	Emissions to water	TONS / M€	0	0	0
	Hazardous waste generated	TONS	1.00	1.00	1.00
	Carbon emissions reduction initiatives in place	YES/ NO	N/D	N/D	NO
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO	NO	NO
	Policies or grievance/complaints handling mechanisms to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ¹	YES/ NO	NO	NO	NO
	Gender pay gap	%	N/D	N/D	1%
	% of women on the board	%	57%	30%	17%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO	NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES	YES	YES
	Rate of accidents: N° of accidents* 1.000.000 / N° of hours worked	%	N/D	N/D	0%
	Number of days lost to injuries, accidents, fatalities or illness	N°	N/D	N/D	0
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	N/D	N/D	0
Incidents of discrimination	N°	N/D	N/D	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	NO	NO	YES
	Percentage of indefinite contracts (vs. total contracts)	%	N/D	N/D	86%
	Hours of training per employee	HOURS/ EMPLOYEE	N/D	N/D	N/D
	Percentage of female staff over total workforce (including only full time employees)	%	N/D	13%	14%
	Number of fatal accidents	N°	0	0	0
	Level of development of internal policies in place according to AIP standard	%	N/A	N/A	43%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	YES	YES	YES
IMPACT KPIs	Avoided Emissions (since inception in May 2019)	t CO ₂ eq	N/D	N/D	28,388
	Avoided Emissions in 2022	t CO ₂ eq	N/D	N/D	19,695

Legend
N/D No data available
N/A Not applicable

¹ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour. Asterion Energies should develop and formalize a code of conduct, an emission reduction plan and an anti-corruption policy, to fully comply with this KPI.

**COMPANY DESCRIPTION
& ESG RATIONALE**

Platform of 15 data centres (DC) with 49 MW of power located in Spain, US, Brazil, Mexico, Chile, Peru and Argentina. The business is driving the growing digitalization trend, enabling connectivity and access to content, particularly in regions of relatively low data penetration today.

In alignment with Asterion’s ESG policy, Nabiax has an ongoing commitment to further enhance the sustainable positioning of the business through appropriate energy management measures, commitment to local communities, and transparency coupled with strong governance through the creation of the Nabiax operating company and management team.

Impact KPI: Nabiax measures total IT installed capacity (through organic growth) which has two key impacts from an ESG perspective. Firstly, installed capacity relates to the company’s colocation services, which are essential for all enterprise and residential digital transformation activity and services. Secondly, Nabiax hosts both public and private cloud clients which, by migrating its data storage to Nabiax’ facilities, are effectively enhancing energy consumption given that Nabiax’ DCs are run under highly efficient operations.

Additionally, Nabiax measures the emissions avoided in the consumption of energy as a result of the use of renewable energy. Nabiax’ main sources of energy are wind, solar and hydroelectric. These sources of energy, on the contrary to fossil fuels, don’t have a negative impact for the environment, as no greenhouse gases are released to the atmosphere. Based on specific conversion factors for each country depending on its respective specific electricity mix, Nabiax can estimate the generation of theoretical CO2 equivalent tons that the company has avoided by consuming renewable energy.

Impact so far during Asterion’s ownership:

- IT installed capacity (only organic growth) since acquisition: 10.0MW
- Emissions avoided in the consumption of energy as a result of the use of renewable energy in 2022²: 34,974.68 t CO2 eq
- Emissions avoided in the consumption of energy as a result of the use of renewable energy since acquisition: 203,801.66 t CO2 eq

Asterion Industrial Infra Fund I

INVESTMENT DATE:

July 2019

HEADQUARTERS:

Madrid, Spain

WEBSITE:

www.nabiax.com

SECTOR:

Data Centres

NUMBER OF EMPLOYEES:

73

2022 REVENUES:

€73m

COUNTRIES OF OPERATION:

**Spain, US,
Brazil, Mexico,
Chile, Peru
& Argentina**

AIP % OWNERSHIP¹:

86%

SDG CONTRIBUTION



¹ Including Asterion Fund I and co-investors.

² Please note that Nabiax has estimated the calculation for 2022 emissions avoided due to renewable energy consumption in Chile based on data from prior months given that the company does not yet have full data available. For the overall calculation, also note that the company has used the emissions factors of each corresponding country for 2021 given that 2022 is not yet available.

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy management & Carbon emissions
2. Water management
3. Waste management
4. Eco-design
5. Diversity, equality & inclusion
6. Attraction & Retention of talent
7. Health & Safety
8. Responsible supply chain
9. Local communities & Social action
10. Cybersecurity & Data protection

ESG PERFORMANCE UPDATE

Since Asterion's acquisition, and as a carve out of assets from Telefónica for which all operations and team had to be created from scratch, Nabiax has focused its efforts in building a strong ESG strategy and governance that today is well integrated into the company's operations and culture.

The company has an ESG Responsible, who is also the head of HR, as well as with an ESG Committee that meets on a bi-weekly basis. The ESG team was enlarged with an additional team member hired in 2022 to support the implementation of Nabiax's ESG plan.

A 2022-2024 ESG Plan was approved by the Board in February, with the aim to support and reinforce the business strategy, driving the company's response to social, environmental and good governance challenges. Throughout this year, the ESG team has focused specially on implementing processes and tools essential to the future development of the plan such as corporate policies (including Compliance, Sustainability Policy, Environmental Policy, Communication with Stakeholders, Recruitment Policy, Human Rights Policy, Health and Safety Policy and Responsible Supply Chain Policy, which are currently in the approval phase).

Furthermore, a technical external advisor has been supporting the team on a bi-weekly basis, helping on the implementation of several actions, specifically on the environmental side.

As relevant background, in 2021, Nabiax secured one of the first green financing transactions in the data centre space globally, linking its pricing to 3 ESG KPIs related to carbon emissions, water use and gender diversity.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

Energy and emissions management is one of Nabiax' key priorities, being this one of the aspects linked to the company's green financing objectives. Specifically, the KPI to which the financing is linked is the percentage of renewable energy with respect to total energy consumption in the company (% of renewable energy). In this context, most of the energy consumed by Nabiax' Spanish Data Centres comes from renewable energy sources. In relation to Nabiax' Latam businesses, the team is currently working on defining a plan to increase its renewable energy consumption, implementing the same structure for those data centres where the local regulation and resources allow it.

In 2022, the company has started to measure its carbon footprint (including Scope 1 and 2), both for 2021 and 2022. Based on the results obtained, the company will work on the definition of an emissions reduction plan for the coming years.

In addition to measuring the above-mentioned indicators, Nabiax also measures water consumption³ and waste recycled, which are also key elements of Nabiax's environmental footprint.

DIVERSITY AND EQUAL OPPORTUNITIES

Another key priority for Nabiax is the enhancement of diversity among its employee workforce. For this, the company has been working towards measuring and improving (i) diversity of age, through the creation of an intern program and the definition of a hiring policy, and (ii) diversity of gender, through equal recruiting processes on a no-name basis and focus on women in management positions.

While Nabiax is currently drafting a Diversity Policy, the company has already included diversity aspects in all HR-related policies, ensuring all hiring, retention and professional development processes take it into consideration.

Nabiax' Green Financing is also linked to the achievement of hiring an equal number of males and females every year. In 2022 Nabiax made a total of 22 hires of which 11 were women and 11 were men, fulfilling Nabiax's commitment to promote gender equality in recruiting.

The company's commitment to equality has resulted in a positive evolution in gender distribution within the company, increasing female representation in the workforce, from 16% in 2019 to 30% in 2022.

Regarding age diversity, 27% of Nabiax's workforce is under 30 years of age, with an average age of 39 years. In Spain, this figure increases to 42% of professionals under the age of 30 with an average age of 36. In addition, 90% of the hirings in 2022 were professionals under 30 in Spain and 55% globally.

The company counts with professionals with 11 different nationalities operating in 7 countries. As of today, female professionals comprise 25% of Nabiax' workforce and 33% of its Board of Directors.

SHARED SUCCESS

Regarding alignment of interests and shared success among its staff, Nabiax counts with a phantom shares plan that covers 57% of employees⁴. In addition, more than 80% of Nabiax' employees count with variable compensation linked to corporate and individual objectives.

OTHER RELEVANT ESG DEVELOPMENTS

Certifications: Every year, Nabiax works towards maintaining the following certifications in the Alcalá data Centre: ISO 14001 (Sustainable Procedures) and ISO 9001 (Quality in procedures). The annual follow-up audit will be carried out in January 2023 after the internal audit has been successfully carried out. In addition, work is being done to implement an Integrated Management System in the other Spanish data centres.

In relation to the data centres in LATAM, the company does not currently hold any certification, however, work is being done to be able to extend their scope in future years. In addition, a mapping of the capacity of Latin American DCs for the implementation of ISO standards will be carried out, considering MSAs and other customer requests.

Training: In 2022, Nabiax dedicated more than 950 hours to provide training for its professionals, corresponding to an average of 15.1 hours of training per employee.

³The water consumption KPI is defined as the total water consumption relativized to the operating power of our DCs (m3 of water/MW IT).

⁴The phantom shares will be distributed at the time that Asterion fully exits the company.

KPIs 2020-2022

	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions ¹	t CO ₂ eq	N/D	33,821	N/D
	Scope 2: Indirect GHG emissions	t CO ₂ eq	N/D	117,259	145,046
	Scope 3: Other indirect GHG emissions	t CO ₂ eq	N/D	N/D	N/D
	Company active in the fossil fuel sector	YES/ NO	NO	NO	NO
	Share of non-renewable energy consumption	%	64%	54%	32%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO	NO	NO
	Emissions to water	TONS / M€	N/D	N/D	N/D
	Hazardous waste generated	TONS	N/D	N/D	N/D
	Carbon emissions reduction initiatives in place	YES/ NO	NO	NO	NO
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO	NO	NO
	Policies or grievance/complaints handling mechanisms, to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ²	YES/ NO	NO	NO	NO
	Gender pay gap	%	N/D	8%	18%
	% of women on the board	%	33%	33%	33%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO	NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES	YES	YES
	Rate of accidents. N° of accidents* 1.000.000 / N° of hours worked	%	0%	0%	0%
	Number of days lost to injuries, accidents, fatalities or illness	N°	90	14	134
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0	0	0
Incidents of discrimination	N°	0	0	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	NO	YES	YES
	Percentage of indefinite contracts (vs. total contracts)	%	92%	95%	90%
	Hours of training per employee	HOURS/ EMPLOYEE	N/D	40.31	14.1
	Percentage of female staff over total workforce (including only full time employees)	%	N/D	17%	25%
	Number of fatal accidents	N°	0	0	0
	Level of development of internal policies in place according to AIP standard	%	N/D	N/D	35%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	YES	YES	YES
IMPACT KPIs	IT installed capacity (only organic growth) since acquisition	MW	N/D	N/D	10
	Emissions avoided in the consumption of energy as a result of the use of renewable energy in 2022	t CO ₂ eq	N/D	N/D	34,975
	Emissions avoided in the consumption of energy as a result of the use of renewable energy since acquisition	t CO ₂ eq	N/D	N/D	203,802

Legend
N/D No data available
N/A Not applicable

¹ Nabiax' Scope 1 emissions results have not been reported in 2022 due to several delays the company has suffered in receiving energy consumption data from providers. This will be provided in next year's report.

² An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour. Nabiax should develop and formalize a code of conduct and an emissions reduction plan, to fully comply with this KPI.



COMPANY DESCRIPTION & ESG RATIONALE

AMP Clean Energy (AMP) is a distributed energy platform providing low carbon heat and power energy solutions in the UK, with a particular focus on biomass heating and gas peaking generation to support heat decarbonization and flexible generation for the energy transition.

AMP's business is strongly relevant from an environmental point of view, not only by using sustainable wood fuels to allow for the decarbonization of heating, but also by providing dispatchable flexible generation and grid stabilizing services to the network that supports the UK's energy transition towards net-zero.

Impact KPI: To quantify the positive environmental impact of AMP's business, directly linked to climate change mitigation and adaptation, two KPIs are being tracked:

First, the **emissions avoided** in the production of energy through biomass, comparing these against previous client's fuel source emissions (i.e. conventional heating fuel or gas). Producing energy from biomass releases carbon emissions in the air, however, AMP's biomass fuel source, in addition to being a low carbon energy source, comes from wood pellets made from sustainably sourced forest residues and thinning's. This means that forest ecosystems are regrown, consequently sequestering more carbon than mature trees would. Furthermore, regardless of AMP's process, emissions would have been released to the environment as part of the natural decomposition process. Where possible, AMP sources the wood pellets locally to minimize the environmental impact of its fuel. Finally, AMP receives renewable heat incentive (RHI) payments from the government, which is an incentive the government gives when the heat source is viewed as renewable / sustainable.

Secondly, we measure **savings of grid losses** achieved thanks to AMP's Urban Reserve Business². As the Urban Reserve portfolio is distribution connected, it receives line losses as an embedded benefit. As energy is transported from the point of production to the end user, some of it is lost. These losses are reduced where electricity is generated at low voltage levels. The line loss factors are multipliers which are used to scale energy consumed or generated to account for losses on the UK's distribution network. This measurement demonstrates the avoided losses from generating at the distribution level.

¹Financial year ends on 31st of March.

²AMP's market-leading urban flexible energy facilities help support the growth of renewables by providing on-demand energy when wind and solar are not able to produce enough electricity. In doing so, AMP's projects help balance the grid, enabling the transition to a low carbon economy, whilst making sure, whatever the weather, we have the electricity we need close to where we need it.

Asterion Industrial Infra Fund I

INVESTMENT DATE:
January 2020

HEADQUARTERS:
London, UK

WEBSITE:
www.ampcleanenergy.com

SECTOR:
Energy

NUMBER OF EMPLOYEES:
173

2022 REVENUES¹:
£59m

COUNTRIES OF OPERATION:
UK

AIP % OWNERSHIP:
100%

SDG CONTRIBUTION



See below the data for 2022 on both KPIs:

- Avoided Emissions in 2022 through biomass generation³: 15,130 Tonnes of CO2
- Savings of grid losses in 2022: 4,820 MWh

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy management & Carbon emissions
2. Health & Safety
3. Employee development & Wellbeing
4. Diversity & Inclusion
5. Responsible supply chain

ESG PERFORMANCE UPDATE

Since the acquisition by Asterion in 2020, AMP has worked hard to create an ESG framework and integrate it into its culture and day-to-day operations. AMP has a **Steering Committee that oversees the coordination of all ESG initiatives**, which is led by the Head of HR (appointed in 2020), and supported by the Group's HSEQ Manager (Health, Safety, Environment and Quality), the Legal Manager, Group Marketing Director and the Procurement Manager. AMP's ESG Steering Committee meets on a monthly basis and is in charge of approving and overseeing the 3-year ESG plan which is updated on a yearly basis and contains the company's priorities for the short and medium term.

Throughout 2022, AMP has made significant progress regarding ESG, especially on the social front and the digitalisation of related initiatives. Efforts have focused on the integration and development of a unified intranet for all business divisions ('One AMP'), which contains all initiatives related to employees, and is used at the same time to promote the company's culture and mission. Some of the initiatives promoted and implemented through One AMP include: a HR portal, training and performance reviews, onboarding of new employees including a digital onboarding platform (One Welcome), wellbeing and health & safety matters, Cyber Security (Cyber Essentials accreditation), an employee social feed (One Voice), and internal policies applicable to the different employees. Since its launch, the One AMP intranet platform has been well received by employees and engagement has been very positive. Engagement levels have reached 50% of employees since the launch in April 2021.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

As part of AMP's commitment to decarbonization, the company has engaged with an external consultant to define a Net Zero plan which has involved an initial framework to calculate scope 1, 2 and where possible, 3 emissions, the definition of reduction targets and actions, as well as a data quality improvement plan. **An approved Net Zero roadmap which includes short and long-term priorities is expected in 2023.** As part of this exercise AMP has also conducted a gap analysis to determine its performance against the requirements of an ISO 14001 (environmental management) certification.

Additionally, AMP has engaged with 'Pawprint', an employee engagement tool that aligns the entire workforce with AMP's climate goals. Pawprint traces, on a voluntary basis, individual footprint and encourages users to take action to reduce their carbon footprint. Since the launch of Pawprint, **employees have collectively taken 528 reduction actions, avoiding the generation of 2,800 tons of CO2.** Through this partnership, AMP seeks to call on individual's responsibility as well as share common goals with its employees.

³Avoided emissions includes all of AMP's owned biomass assets

DIVERSITY AND EQUAL OPPORTUNITIES

AMP's leadership team continues to promote several diversity and inclusion initiatives across the group, starting with **shaping a foundation that supports a culture of inclusivity and diversity, effective communication and consistent ways of working, awareness actions** that will act as an enabler to continue with next steps. Among these actions, it is worth highlighting a mandatory e-learning training which included an equality, diversity and inclusion course that 100% of employees completed by July 2022. In January 2023 employees will be assigned further e-learning trainings which include unconscious bias training courses specific to both managers and other employees.

Since Asterion's acquisition of the company, AMP's board gender diversity has increased from 0% to 25% of female directors, additionally including a greater diversity in professional backgrounds, nationalities, and cultures.

SHARED SUCCESS

Throughout 2022, Asterion and AMP have agreed on the **definition of a management incentive program** which is currently on its implementation phase. This **includes employees from top and middle management, as well and several key staff**. The structure of the plan ensures that, in addition to allocations which have been earmarked for specific team members, there is an unallocated pot which allows for future incentivization of the whole workforce. Additionally, there is an annual bonus plan in place to award all staff for their hard work and dedication. **Part of this bonus will be linked to ESG objectives going forward** to ensure alignment in all areas of the business.

OTHER RELEVANT ESG DEVELOPMENTS

Health and safety: The main health and safety focus for AMP is to continue developing a strong zero harm culture where health and safety is everybody's responsibility. This included continuing to develop the group HSEQ management system and embedding reporting through its recently launched (end of 2021) **incident reporting system, Intelx**. Intelx features a mobile app that can be **accessed by all employees to report any type of incident or unsafe situation** (potential hazards, near misses, accidents, etc.). It identifies actions for improvement and aggregates and shares them with the entire workforce through monthly reports of selected KPIs tracking against previous years and targets. These KPIs are reviewed by the Board during the monthly meetings. The tracking has demonstrated that incidents, particularly those that result in lost time due to injuries are decreasing, which shows the effectiveness of the training program along with the buy-in of the broader workforce to focus on health and safety. The report also includes several highlights and actions to be implemented, including the employee in charge and time frame. The company has also provided **HSEQ training** and launched an internal audit programme to increase awareness of the new system, solidifying a safety and prevention culture and monitoring progress and compliance. Additional health and wellbeing benefits were also launched this year including health surveillance, occupational health, and medical questionnaires.

Employee development: In August 2022 the company integrated an Employee Performance Review platform that captures both, the overall business function, and individual objectives, and supports ongoing one-to-one reviews and annual appraisals for all employees. The platform also includes a "reward and recognition award" program which aims to recognize employees for their contributions to the success of the business. In relation to employees' professional development, AMP has implemented "Development days" with employees and hosts regular "Lunch and Learn presentations" where all employees can learn about different areas of the business and share new processes and developments.

Certifications: AMP Clean Energy Services holds the ISO 9001:2015 accreditation for design, supply, installation, maintenance and management of wood heating systems and gas-fired peaking plants, while its biomass fuel is 100% certified to the En plus quality standard and meets BSL sustainability standards. AMP Clean Energy Services has been an accredited member of the SafeContractor health and safety accreditation for several years,

for the first time AMP Biomass Fuels limited achieved accreditation this year which highlights the improvement that has been made with regards health and safety management across the group. In addition, in June 2022 AMP Biomass Fuels Limited successfully renewed its Earned Recognition accreditation.

KPIs 2020-2022					
	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions ¹	† CO2 eq	22,151	50,787	149,909
	Scope 2: Indirect GHG emissions ¹	† CO2 eq	194	293	638
	Scope 3: Other indirect GHG emissions ¹	† CO2 eq	N/D	N/D	N/D
	Company active in the fossil fuel sector ²	YES/ NO	NO	NO	NO
	Share of non-renewable energy consumption ³	%	30%	61%	71%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO	NO	NO
	Emissions to water	TONS / M€	N/A	N/A	N/A
	Hazardous waste generated ⁴	TONS	N/D	N/D	N/D
	Carbon emissions reduction initiatives in place ⁵	YES/ NO	NO	NO	NO
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO	NO	NO
	Policies or grievance/complaints handling mechanisms ⁶ to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ⁶	YES/ NO	NO	NO	NO
	Gender pay gap ⁷	%	32%	18%	18%
	% of women on the board	%	20%	25%	25%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO	NO	NO
	Workplace accident prevention policies in place ⁸	YES/ NO	YES	YES	YES
	Rate of accidents. N° of accidents* 1.000.000 / N° of hours worked	%	10.44%	12.30%	6.38%
	Number of days lost to injuries, accidents, fatalities or illness ⁹	N°	89	4	66
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0	0	0
Incidents of discrimination	N°	0	0	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	YES	YES	YES
	Percentage of indefinite contracts (vs. total contracts)	%	99%	98%	97%
	Hours of training per employee ¹⁰	HOURS/ EMPLOYEE	4.54	11.05	11.05
	Percentage of female staff over total workforce (including only full time employees)	%	37%	27%	19%
	Number of fatal accidents	N°	0	0	0
	Level of development of internal policies in place according to AIP standard	%	N/A	N/A	78%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	N/A	IN PROGRESS	YES
IMPACT KPIs	Avoided Emissions in 2022 through biomass generation	† CO2 eq	N/D	N/D	15,130
	Savings of grid losses in 2022	MWH	N/D	N/D	4,820

Legend

N/D No data available

N/A Not applicable

¹ Please note that despite AMP's fiscal year ending in March, these emissions represent FY 2022.

² Please note that after further interpretation of the regulation's guidelines, we have changed the answer to this PAI, as according to the SFDR definition of this indicator, AMP is not considered a company active in the fossil fuel sector.

³ Biomass consumption was incorrectly accounted for the last 3 years. It has now been excluded from the perimeter. Solar kWh unavailable so excluded from 2022.

⁴ Waste is managed in accordance with all legal requirements however hazardous waste consumption data is not currently tracked. AMP is aiming to develop a waste management plan and associated KPIs in 2023.

⁵ In progress, aiming to have net zero roadmap in place by mid 2023.

⁶ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour. AMP should develop and formalize an emission reduction plan, to fully comply with this KPI.

⁷ Given that the company's financial year ends in March, this data is only available as of March 2022, and full year data will be reported during 2023.

⁸ Incident management procedure and associated hazard reporting framework in place supported by the Intelix platform and included in employees objectives.

⁹ The days lost in 2020 correspond as a result of the Covid-19 pandemic. As for 2022, 65 days were due to shoulder dislocation and 1 day from sore back.

¹⁰ Given that the company's financial year ends in March, this data is only available as of March 2022, and full year data will be reported during 2023.



COMPANY DESCRIPTION & ESG RATIONALE

Lineox operates a portfolio of c. 10,800 microwave links connecting Telefonica's mobile towers and some enterprise customers to their terrestrial fibre networks.

Axión is a wholesale provider of communication infrastructure and services based in Spain operating more than 630 tower sites predominantly located in Andalucía, with a service portfolio that encompasses telecom tower infrastructure, radio and DTT broadcasting, DAS and small cells, mission critical communication and IoT services.

Both companies have been in the process of being merged since the acquisition of Axión in January 2021, with the goal of creating a leading telecom infrastructure platform in Spain.

Both Axión and Lineox predominantly provide services in very rural areas with low population density and thus are clear enablers of the objective to bridge the digital divide. Axión provides broadcasting and mobile coverage in these areas and is carrying out further rural fibre roll-out. Lineox provides high-quality internet connection in areas which otherwise would not be able to be connected through fibre.

Likewise, Axión holds a 51% stake in Axent, a joint venture with Spain's gas transmission system operator (Enagas). Axent is an operator of nationwide telecommunication transport infrastructure in the backbone, backhaul and access segments, and provides dark fibre services and point-to-point circuits over its own lit fibre and radio link network. Axent's network currently exceeds 5,300 km of backbone fibre optics.

Impact KPI: As described above, Axión's business activities have an inherent social benefit for end-users, communities and societies, contributing to bridging the rural digital divide, providing high quality internet connection (through radiolinks, towers and fibre), and enabling incumbent broadcasting and telecoms access.

The company's social reach can be calculated based on the total population within the company's geography (Spain) with access to Axión's services².

Impact so far during Asterion's ownership:

¹Including Asterion Fund I and co-investors.

²Please note that "having access" to Axión/Lineox services, means the services are readily available for customers, but not all such customers necessarily make use of these services. Please also note that this KPI is a gross estimate, and it will not change year on year unless Axión/Lineox sells or buys part of its assets.

Asterion Industrial Infra Fund I

INVESTMENT DATE:

March 2020

(Lineox)

January 2021

(Axión & Axent)

HEADQUARTERS:

Seville, Spain

WEBSITE:

www.lineox.es

www.axion.es

(combined website expected)

www.axent.es

SECTOR:

Telecom Infrastructure

NUMBER OF EMPLOYEES:

153

2022 REVENUES:

€76m

COUNTRIES OF OPERATION:

Spain

AIP % OWNERSHIP¹:

100%

SDG CONTRIBUTION



Broadcasting:

- Radio: c. 53% of Spain's population has access (25.2m)
- TV: c. 18% of Spain's population has access (8.4m)

LineoX (radio links):

- c. 82% of Spain's population living in small municipalities (population < 15k) are within 5km from a LineoX radio link

Telecom:

- c. 72% of Andalucía's population living in small municipalities (population < 15k) are within 10km from an AxióN telecom tower
- c. 44% of Andalucía's population living in small municipalities (population < 15k) are within 5km from an AxióN telecom tower

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy management & carbon emissions
2. Environmental impact (fostering biodiversity)
3. Data Privacy & Security
4. Health & Safety
5. Diversity & Equality
6. Employee development, retention (training and wellbeing) & hiring of skills
7. Risk management

ESG PERFORMANCE UPDATE

ESG has been integrated within the company's operations and culture for a long time, counting with best-in-class ESG policies, processes and reporting in place. AxióN is recognized within the telecommunications sector as one of the leading companies on the field, having obtained the first position award on GRESB's Annual Assessment in 2017, 2019 and the third position in 2022, securing again a "leader" status³.

AxióN's ESG team of five people oversees the definition and implementation of annual corporate ESG objectives and helps the company integrate and manage all ESG efforts. Such targets, also integrated within Lineox and Axent, are extended to other functions across the different businesses and integrated within the whole company.

In relation to AxióN's ESG efforts and objectives for 2022, it is important to note that due to the significant impact electricity costs have had on the business, the company has faced numerous budget cuts, partly affecting the attainment of several ESG objectives, such as training and wellbeing initiatives, which will be re-established as soon as the company performance is back to expected levels.

In addition, during 2022 the entire Lineox workforce has been transferred to AxióN, which has implied a significant effort regarding integration, coordination and training of employees.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

³AxióN did not participate in GRESB's Annual Assessment in 2020.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

Axión has a strong commitment to manage its environmental footprint. The company has been focused on measuring and reducing its emissions over the past years, with additional focus on the offsetting side since 2022. In this regard, over 100% of its electricity supply (scope 2 emissions) comes from renewable energy sources, which would be equivalent to generating 8,829 tCO₂eq⁴.

Most of the company's carbon emissions come from the 3.7%⁵ of non-green electricity consumption at third-party sites, followed by fuel consumption (fleet of maintenance vehicles and backup diesel generators) and fugitive emissions of fluorinated gases from air conditioning equipment. In 2022 Axión launched an initiative to better understand the origin of the energy supplied at third party sites in order to better measure scope 3 emissions. Current operations favour carbon emission reductions as Axión's sites are remotely controlled, avoiding maintenance on site, and hence reducing vehicle use for operations. On this front, Axión purchased its first electric vehicle fleet for O&M in 2021 and installed an electric charger in its headquarters available for all employees. In 2022, Axión launched an initiative to pay for the electricity of employees who commute to work with their electric car.

As mentioned above, in line with its commitment to the fight against climate change, Axión has undertaken, in collaboration with Ence (Spanish leader in sustainable forest management), the design and execution of a project to restore a forest that burned down in 2019 in Trigueros (Huelva, Spain). The project will cover an area of more than 26 hectares, in which around 32,000 trees will be planted, contributing to the fight against desertification of the territory and revitalising the natural environment. The project will also contribute to the removal of more than 4,000 TnCO₂eq from the atmosphere over 40 years, which will offset Axión's carbon footprint emitted over nearly seven years (Scopes 1, 2 & 3).

With the aim of reducing carbon emissions, the company has made significant progress with Axión's long-standing plan for the installation of photovoltaic panels. While 6 plants were installed in the different centres in 2021, 30, with 209kWh of power installed, have been put in place in 2022. This allowed the company, which currently has a total of 42 solar installations producing 922kWh at Axión sites, to cover for 2.4% of its 2022 total energy needs (vs. 0.9% in 2021).

DIVERSITY AND EQUAL OPPORTUNITIES

Axión counts with a formal Gender Equality Plan since 2020, and continuously implements diversity and inclusion initiatives among its employees. Currently, 20% of management positions in Axión are held by women, increasing women representation in 2022 with the incorporation of Araceli García Cuartango as the CEO and Cristina Peñas de Bustillo as Commercial Director.

SHARED SUCCESS

During 2022, Axión, together with Asterion, has defined and approved a management incentive plan which includes C-level managers, as well as the heads of each area across the company.

Additionally, as one of the key priorities for 2022, the inclusion of ESG-linked variable compensation to managers of all areas was approved by the Board of Directors in March, linking 10% of the variable compensation of these professionals to specific ESG goals.

⁴2022 estimated data. In 2021 9,461 tCO₂eq.

⁵2022 estimated data. In 2021 3.4%.

OTHER RELEVANT ESG DEVELOPMENTS

Certifications: Throughout 2022, Axión's efforts have been focused on renewing all ISO's certifications: ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (health & safety). Additionally, a process to attain the ISO 14064 (climate change), which sets minimum standards for assessing and verifying GHG emissions, has been launched.

In 2022 AxiónLineoX also launched the implementation of the Information Security System certification, which will be fully implemented in Q1 2023. This follows the guidelines of the National Security Scheme. The objectives followed are to allow for the creation of the security conditions required in the use of electronic channels; promote the continued management of security; promote the prevention, detection, and correction, and to improve Axión, LineoX and Axent's resilience in the current scenario of cyberthreats and cyberattacks.

Reporting: Axión annually publishes a Sustainability Report which details the progress made with regards to the targets set, including relevant KPIs. This year, Axent will also publish its first ESG Annual Report.

Enhancement of governance policies: From a Governance point of view, during 2022, Axión has implemented specific processes and training related to the International Sanctions Policy, which was approved late 2021.

ESG prevention plans. As a consequence of the result of an external ESG assessment, an audit program and execution of security measures regarding the company's fuel and septic tanks and generator sets was designed and executed.

Electromagnetic Risk. After several years of analysis and measurements, the specific procedure for the prevention of electromagnetic risks for maintenance workforce in telecommunications towers has been drafted. The technical conclusions of the report should be translated into concrete actions during 2023.



KPIS 2020-2022¹

	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO2 eq	230	251	209
	Scope 2: Indirect GHG emissions	t CO2 eq	0	0	0
	Scope 3: Other indirect GHG emissions ²	t CO2 eq	356	350	714
	Company active in the fossil fuel sector	YES/ NO	NO	NO	NO
	Share of non-renewable energy consumption	%	0%	0%	0%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO	NO	NO
	Emissions to water	TONS / M€	N/A	N/A	N/A
	Hazardous waste generated	TONS	1.98	3.84	1.32
	Carbon emissions reduction initiatives in place	YES/ NO	YES	YES	YES
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO	NO	NO
	Policies or grievance/complaints handling mechanisms ³ to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ³	YES/ NO	YES	YES	YES
	Gender pay gap	%	10%	9%	-10%
	% of women on the board	%	0%	0%	33%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO	NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES	YES	YES
	Rate of accidents. N° of accidents* 1.000.000 / N° of hours worked	%	6%	11%	11%
	Number of days lost to injuries, accidents, fatalities or illness	N°	0	0	0
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0	0	0
Incidents of discrimination	N°	0	0	0	
ADDITIONAL KPIS (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	YES	YES	YES
	Percentage of indefinite contracts (vs. total contracts)	%	93%	97%	100%
	Hours of training per employee	HOURS/ EMPLOYEE	18.95	16.32	7.59
	Percentage of female staff over total workforce (including only full time employees)	%	18%	18%	16%
	Number of fatal accidents	N°	0	0	0
	Level of development of internal policies in place according to AIP standard	%	N/A	N/A	91%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	YES	YES	YES
IMPACT KPIS	Broadcasting •Radio: Spain's population with access •TV: Spain's population with access	%	-	-	C. 53% C. 18%
	LineoX (radio links) • Spain's population living in small municipalities within 5km from a LineoX radio link	%	-	-	C. 82%
	Towers • Andalucía's population living in small municipalities within 10km from an Axión telecom tower • Andalucía's population living in small municipalities within 5km from an Axión telecom tower	%	-	-	C. 72% C. 44%

Legend

N/D No data available

N/A Not applicable

¹ The scope of the data includes only Axión (excluding Lineox and Axent).

² Scope 3 has increased compared to last year because several of Axión's centers are now subject to external energy providers (Axión is working towards confirming weather part of this energy comes from renewable sources).

³ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour.



ENERGYASSETS

COMPANY DESCRIPTION & ESG RATIONALE

Energy Assets Group (EAG) is a leading vertically integrated utility infrastructure company in the UK involved in critical aspects of the value chain delivering gas and electrical metering and construction services to industrial, commercial, and residential users.

Its core business, representing circa two thirds of the EBITDA, is centred around smart electricity and gas metering services (both smart meters and half hour meters) for the I&C market and provides related data collection and aggregation services (the company counts with 1,197m meters installed). To enhance its offering and become an integrated service provider with cross selling strength, EAG added over time construction services and residential and commercial last mile connection capabilities which now provide optionality within the group.

Through EAG's business activities, the company provides assistance to the private and public sectors in the UK, helping to improve their energy efficiency through ground-breaking technologies, data analytics and innovative customer-focused processes.

Impact KPI: in an effort to quantify the impact of EAG's metering activity we are disclosing the number of meters that have been installed by the company up to December 31, 2022. Smart metering allows to accurately measure individual energy consumption, automatically sending this information to the supplier and eliminating the need to send monthly reads or arrange visits with a data collector. Consequently, smart metering helps the environment as it provides the opportunity for occupants to be responsible for their own consumption, actively steering and reducing overall consumption simply by changing their behaviour.

Impact so far during Asterion's ownership:

- Number of meters installed in 2022: 42k
- Number of meters installed since Asterion's acquisition in 2020: 139k
- Energy reduction (GWh) & economic savings for EAG customers since acquisition in 2020³: 9.6 GWh for power and 28.8 GWh for gas. The equivalent value of these savings is over £6.5m for power and over £4.9m for gas.
- Recycled meters⁴ (since FY2021): 6.6k

¹ Corresponds to calendar year 2022 (company's fiscal year ends in March).

² Including Asterion Fund I and co-investors.

³ These are the estimated savings EAG customers will have made from using EAG's smart meters given the consumption reduction achieved. The calculation is based on the BEIS calculation from their Smart Meter Roll-Out Cost Benefit Analysis and updated to reflect non-domestic reductions (2.8% for power and 4.5% for gas) and the pence per kWh per Ofgem price cap.

⁴ As of December 2022

Asterion Industrial Infra Fund I

INVESTMENT DATE:

April 2020

HEADQUARTERS:

Manchester, UK

WEBSITE:

www.energyassets.co.uk

SECTOR:

Energy services

NUMBER OF EMPLOYEES:

594

2022 REVENUES¹:

£ 124m

COUNTRIES OF OPERATION:

UK

AIP % OWNERSHIP²:

40%

SDG CONTRIBUTION



KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected considering the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy management & Environmental footprint
2. Health & Safety
3. Responsible supply chain
4. Diversity, inclusion and equality
5. Good corporate governance (anti-corruption & transparency)

ESG PERFORMANCE UPDATE

Energy Assets Group actively manages ESG, with a strategy that is well integrated into the company's business model, financial planning, reporting and Board discussions. The company's 5-year strategic plan (2021-2026) includes a number of ESG initiatives relating to health, safety and the environment and its progress is monitored, and actions updated, on an ongoing basis by the Senior Leadership Team (SLT).

It is worth highlighting that a new ESG Director was appointed during 2022 and is also part of the Senior Leadership Team with the goal of reinforcing the company's wider ESG strategy and to drive, oversee and hold the company accountable on its ambitions and promises.

The ESG Director has been working with all the areas towards defining specific ESG actions and has recently launched a new initiative, *Focused on the future*, to ensure the following topics are well embedded within EAG's culture and DNA:

- 1) Reduce the company's environmental impact;
- 2) Instil a socially responsible ethos and
- 3) Ensure good corporate governance.

Focused on the future aims to ingrain its ethos into the business, from how it operates and its core values to the propositions it offers and the policies and procedures that are in place.

EAG has carried out a full ESG SWOT analysis and ESG risks are captured on their Group Risk Register which is formally reviewed quarterly by their SLT. It is also captured locally on various functional risk registers where appropriate.

The company has appointed ESG Champions from across the different business units who recurrently meet up on an ad hoc basis to discuss ESG matters.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

EAG has environmental focus ingrained in its culture, from its internal day-to-day operations to the services offered to its clients. While EAG's mission is to provide innovative solutions that help their customers achieve their own sustainability ambitions, the company is committed to decrease its carbon emissions every year.

Accordingly, the company is taking several steps to reduce its emissions within key business activities, such as transportation. EAG aims to transition its entire vehicle fleet to electric or plug-in hybrid cars within the next two years, having achieved already a reduction of 30% of its emissions. It has also installed EV charging points at their offices and incentivised 'at home' charging for fleet drivers. Additionally, EAG is focused on using its vehicles as efficiently as possible and apply big data analytics to re-work meter and data logger maintenance schedules – reducing field engineer mileage by around 10%.

The company measures its CO₂ emissions on a monthly basis, including several scope 3 criteria since 2021 – predominantly grey fleet and company cars for business travel/commuting. In addition, in 2022 EAG entered into an emission offsetting program with Shell for all of its car related emissions.

Overall CO₂ emissions from electricity and gas consumption have been reduced by 37% as compared to 2019 (pre-Covid year).

As a medium-term strategy, the company closely adheres to the principles of ISO 50001: Energy management.

DIVERSITY AND EQUAL OPPORTUNITIES

EAG has an extensive equal opportunities and diversity policy in place to support and promote an inclusive culture. The policy outlines their commitment throughout the employment lifecycle to equality, diversity and inclusion and sets out how they put this commitment into practice. It also explains the behaviours they expect of their people in support of this commitment; and sets out the key steps taken to make their culture as inclusive as possible.

Equally to 2021, in 2022, 34% of EAG employees are women and 40% of EAG's Board of Directors are women, as opposed to zero before Asterion and its partners acquired the company.

SHARED SUCCESS

In 2022, EAG's Board of Directors approved a Management Equity Program (MEP) covering all of the SLT (c. 5% of company staff), as well as a Long-Term Incentive Program (LTIP) for all employees not participating in the MEP or in positions with no variable salary.

The LTIP aims to reward annual performance (via an annual bonus paid each July in years 1 - 5 (2023 - 2027) of the 5-year plan and to improve colleague retention - via a retention bonus paid in July of year 5 (2027)).

After a 4% salary increase in April 2022, as inflation continued to rise throughout the year the company brought forward another salary increase to December 2022 (instead of April 2023) to help especially lower pay grades to address inflation of cost of living (around 10% for lower pay grades).

Annual bonuses of the top management positions are linked to 20% to ESG goals.

OTHER RELEVANT ESG DEVELOPMENTS

Waste management: EAG actively measures the production of waste across all sites and have strict reduction targets in place. The company is also transitioning towards being completely paperless. In relation to its business activity, all electricity meters are re-tested at the end of their shelf life, ensuring only those which no longer function are disposed of. Old assets and equipment are donated to test sites, helping to inform future sustainability solutions, or refurbished. This last financial year the program prevented 64,689 metric tonnes of waste going to landfill.

Health and safety: EAG has a robust health and safety policy in place and safety related internal campaigns running throughout the year. The implementation of which has helped the company to reduce lost time injuries (LTI's) to an all-time low and by 94% YoY to date.

Certifications: the company holds ISO 9001 (Quality Management), 14001 (Environmental Management System), ISO 45001 (Occupational health and safety) and ISO 27001 (Information Security Management) certifications at some of its sites and continue to comply with the Smart Energy Code by independent audit.

EAG is also accredited with Gas Safe Register as an Approved Meter Installer, and with the Retail Energy Code Co (RECCo) as a gas and electricity Meter Equipment Manager. This allows EAG to operate across the UK metering industry.

In addition, EAG is also accredited to the National Electricity Registration Scheme (NERS), the Gas Industry Accreditation Scheme (GIRS), and the Water Industry Registration Scheme (WIRS) within their Construction and Networks business.

Value chain: all suppliers are subject to an Approved Vendor Assessment (AVA) process, including, as a first step, the completion the Vendor Assessment Form, which covers several ESG topics (H&S, Environmental, Business Continuity, Information Security management, ESG policies available, as well as information on relevant insurances held).



KPIs 2020-2022

	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO ₂ eq	2,663	2,620	2,136
	Scope 2: Indirect GHG emissions	t CO ₂ eq	201	156	133
	Scope 3: Other indirect GHG emissions ¹	t CO ₂ eq	1,245	1,454	1,162
	Company active in the fossil fuel sector	YES/ NO	NO	NO	NO
	Share of non-renewable energy consumption	%	100%	100%	100%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO	NO	NO
	Emissions to water	TONS / M€	N/A	N/A	N/A
	Hazardous waste generated ²	TONS	0.03	0.03	0.03
	Carbon emissions reduction initiatives in place	YES/ NO	YES	YES	YES
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO	NO	NO
	Policies or grievance/complaints handling mechanisms ³ to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ³	YES/ NO	YES	YES	YES
	Gender pay gap	%	23%	20%	22%
	% of women on the board	%	40%	40%	40%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO	NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES	YES	YES
	Rate of accidents. N° of accidents* 1.000.000 / N° of hours worked ⁴	%	28%	22%	17%
	Number of days lost to injuries, accidents, fatalities or illness	N°	126	137	10
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0	0	0
Incidents of discrimination ⁵	N°	0	0	1	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/team	YES/ NO	YES	YES	YES
	Percentage of indefinite contracts (vs. total contracts)	%	N/D	N/D	97%
	Hours of training per employee	HOURS/ EMPLOYEE	11.67	11.74	13.41
	Percentage of female staff over total workforce (including only full time employees)	%	28%	29%	28%
	Number of fatal accidents	N°	0	0	0
	Level of development of internal policies in place according to AIP standard	%	N/A	N/A	91%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	NO	NO	YES
IMPACT KPIs	Number of meters installed in 2022	N°	N/D	N/D	42,000
	Number of meters installed since Asterion's acquisition in 2020	N°	N/D	N/D	139,000
	Energy savings for customers since Asterion's acquisition in 2020 (incl. gas & power)	GWH	N/D	N/D	38.40
	Economic savings for customers since Asterion's acquisition in 2020	GBP (M)	N/D	N/D	11.4
	Recycled meters (since FY2021)	N°	N/D	N/D	6,600

Legend

N/D No data available

N/A Not applicable

¹ For the calculation of scope 3, the following categories have been taken into account: Waste generated in operations and Employee commuting. The company is working towards including additional categories in the future, including Purchased goods and services, for which key suppliers have already been questioned, and Business Travel.

² Hazardous waste generated includes asbestos and cement gaskets.

³ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour.

⁴ Calculation method used in 2020 was: Average based upon number of employees *200 work days of 7.5hrs.

⁵ One incident of discrimination was reported during the reporting period. However, after conducting an investigation, the legal counsel determined that there was no basis for further action or legal proceedings.

COMPANY DESCRIPTION & ESG RATIONALE

Cableworld is an alternative regional Telecom provider with a best-in-class fibre network in the southeast of Spain (being the leading alternative player in the Alicante region).

Cableworld has 382k Homes Passed (330k in 2021 and 220k in 2020) and has a customer base of 81k (70k of which on fibre), across 26 towns, and is organised around two hubs: Novelda & Elda and Murcia. With more than 30 years of corporate history, the company has transformed itself from an analogue cable TV provider to a full-fledged quadruple-play operator based on FTTH technology and has achieved dominant market positions across most of the towns where they have rolled out services. Through its state-of-the-art fibre network and infrastructure, Cableworld is bridging the rural digital divide. Fibre roll-out ensures internet access to rural population, which is a critical element for communication and education. Cableworld not only fosters gender equality in its business, it is also strongly committed and involved with the local communities to address key social needs around Health, Education and Equality.

Impact KPI: By measuring the number of homes passed, we are able to quantify the social impact of the company's activity, as its fibre roll-out provides essential elements for rural development, as explained above

Impact so far during Asterion's ownership:

- Number of homes passed in 2022¹: 54k
- Number of homes passed since acquisition in June 2020¹: 159k

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy management & Environmental footprint
2. Data Privacy & Security
3. Health & Safety
4. Customer satisfaction
5. Employee wellbeing & Development
6. Engagement with local communities

¹ Excluding M&A activity

Asterion Industrial Infra Fund I

INVESTMENT DATE:

June 2020

HEADQUARTERS:

Alicante, Spain

WEBSITE:

www.cableworld.es

SECTOR:

Fibre

NUMBER OF EMPLOYEES:

427

2022 REVENUES:

€45m

COUNTRIES OF OPERATION:

Spain

AIP % OWNERSHIP:

60%

SDG CONTRIBUTION



ESG PERFORMANCE UPDATE

Since inception in 1980, Cableworld's management team has been very conscious of the vast impact the company has on the environment, stakeholders, and communities where it is present. Social and health initiatives, employee wellbeing, customer satisfaction and engagement with local communities have always been at the core of the company's strategy.

Since the partnership with Asterion, both Asterion and Cableworld have been working closely to formalize a well-defined ESG strategy, with the aim to enhance the existing initiatives and implementing new ones, as well as new processes, for further development. A formalised ESG Action Plan is in the process of being defined, focusing on critical elements for the company such as reduction of carbon emissions, improvement of health and safety aspects, employee development, wellbeing and diversity, and enhancement of internal compliance.

Cableworld counts with a comprehensive set of internal policies, including an Ethical Code of Conduct and Compliance Policies. In relation to these policies, the team is focused on carrying out the corresponding training programs and setting up recurrent control and monitoring systems to track progress and ensure best practices within the company. Training is provided to all newly hired personnel and regular meetings are held by the regulatory compliance committee where the progress and control systems are reported. Currently, Cableworld is carrying out training courses on health and safety, compliance, and anti-trust aspects.

Cableworld has implemented additional policies throughout this year: Anti-corruption policy, criminal compliance policy, procurement policy, conflict of interest policy, money laundering policy. Since 2021, both HR Managers of the company have been in charge of the ESG implementation at Cableworld.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

In 2022, the company has taken the first steps towards managing its GHG emissions by engaging an external third party to measure its direct and indirect emissions (scope 1 & 2) for 2021 and 2022. It is the company's intention to continue to measure emissions on a yearly basis with the aim of analysing and developing an emissions reduction plan.

In an effort to reduce its CO2 emissions, in 2022, Cableworld has installed 16KW nominal of solar panels, while is planning to install an additional 24KW in January 2023 to feed Novelda's offices energy needs. Furthermore, the company is considering the possibility to install additional panels in Elda.

Additionally, since 2021, Cableworld is committed to gradually replacing its vehicle fleet with 100% electrical cars, currently accounting for 11% of the company's fleet.

DIVERSITY AND EQUAL OPPORTUNITIES

Women take a central stage in the company's leadership team (c. 77% of Managing Directors and of Executive team are women). In alignment with the company's strong focus on promoting gender equality, since 2020 Cableworld counts with a Business Gender Equality Steering Committee who meets periodically and is responsible for ensuring compliance with the company's Equality Plan, as well as promoting equality actions, including policies against sexual harassment and non-sexist language dossier, amongst others.

SHARED SUCCESS

The company does not have a management equity plan in place, however, Asterion and the management team are working on the definition of a management incentive plan to align management variable salaries to the achievement of corporate objectives in 2023.

OTHER RELEVANT ESG DEVELOPMENTS

Health and safety: Cableworld has put in place several health & safety procedures and training initiatives including, a First Aid and Road Safety training plan, a voluntary vaccination plan (for Covid and the flu) and a training plan for work at heights processes (for the technical department).

Commitment with local communities: Cableworld is actively engaged on addressing key social needs around Health, Education and Equality in the communities where it is present and focuses on developing several initiatives around these. Among others, the company has participated in the following activities in 2022:

- Implementation of the Labour Integration Programme, which focuses on the integration of people at risk of social exclusion through Cableworld's job search trainings, psychosocial workshops, and job exchange contacts.
- Implementation of a gender equality awareness program.
- Working to reduce the digital gap through digital literacy courses (35 places filled), as well as digital scholarships to 38 families.
- Providing support for people at risk of social exclusion covering the costs of basic needs (electricity bills, water, gas cylinders, plumbing, feeding, etc.).
- Supporting local NGOs fighting against child cancer and fighting poverty in Ethiopia through fundraising activities including participation and employee volunteerism in a solidarity sport events.
- Organising blood donation marathons and raising awareness for bone marrow donation.
- Granting of 92 sports scholarships to children aged between 6 and 16 years old with the objective of promoting active and healthy lifestyles among new generations.



KPIs 2020-2022

	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO ₂ eq	N/D	419	384
	Scope 2: Indirect GHG emissions	t CO ₂ eq	N/D	214	169
	Scope 3: Other indirect GHG emissions	t CO ₂ eq	N/D	N/D	N/D
	Company active in the fossil fuel sector	YES/ NO	NO	NO	NO
	Share of non-renewable energy consumption ¹	%	N/D	N/D	100%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	N/A	N/A	N/A
	Emissions to water	TONS / M€	N/A	N/A	N/A
	Hazardous waste generated	TONS	N/D	N/D	N/D
	Carbon emissions reduction initiatives in place	YES/ NO	YES	YES	YES
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO	NO	NO
	Policies or grievance/complaints handling mechanisms ² to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ²	YES/ NO	YES	YES	YES
	Gender pay gap	%	N/D	-3%	2%
	% of women on the board	%	43%	43%	43%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO	NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES	YES	YES
	Rate of accidents. N° of accidents* 1.000.000 / N° of hours worked	%	13%	3%	7%
	Number of days lost to injuries, accidents, fatalities or illness	N°	339	467	213
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0	0	0
Incidents of discrimination	N°	0	0	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	NO	NO	YES
	Percentage of indefinite contracts (vs. total contracts)	%	96%	99%	98%
	Hours of training per employee	HOURS/ EMPLOYEE	N/D	6.36	12.37
	Percentage of female staff over total workforce (including only full time employees)	%	N/D	38%	40%
	Number of fatal accidents	N°	0	0	0
	Level of development of internal policies in place according to AIP standard	%	N/A	N/A	54%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	N/A	N/A	N/A
IMPACT KPIs	Number of homes passed in 2022 ³	N°	N/A	N/A	54,000
	Number of homes passed since acquisition in June 2020 ³	N°	N/A	N/A	159,000

Legend

N/D No data available

N/A Not applicable

¹ Cableworld installed solar panels in one of its offices by the end of 2022 and hence its production is still not significant in comparison to its non-renewable consumption.

² An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour.

³ Excluding M&A activity

COMPANY DESCRIPTION & ESG RATIONALE

Sorgenia is an integrated energy utility with gas fired power generation capacity of 3.2 GW, renewable wind and biomass energy capacity of 370 MW (as part of the transaction completed by Asterion and its partner F2i), and a fast-growing electricity and gas retail platform. The company also has a renewable energy platform which develops geothermal, solar, wind, hydro, and biomethane projects.

Today, Sorgenia plays a **strategic role in the critical domestic grid balancing market of ancillary services**, particularly in the southernmost regions of Italy which are more prone to volatility and **facilitates the achievement of the country's decarbonisation targets** through the phasing out of all coal fired power plants. **Its generation fleet particularly stands out for its efficiency, reliability, and flexibility**, providing the Italian electricity network with a predictable source of power that complements the growing share of renewable sources in the Italian energy supply balance.

Furthermore, the development of its renewable platform will contribute significantly to delivering the Italian National Energy and Climate Plan (NECP) and the EU decarbonisation targets (30% of total energy consumption in Italy to come from renewable sources by 2030).

Impact KPI: With the aim to measure Sorgenia's positive environmental impact, directly linked to climate change mitigation and adaptation, two KPIs are being tracked. On one hand, we calculate the **emissions avoided in the production of energy through renewable generation** (wind and biomass), against equivalent emissions that would have been emitted otherwise using Italy's energy mix.

On the other hand, we also monitor the emission ratio of all Sorgenia assets (including CCGT, biomass and renewables) year by year in tCO₂/MWh with the aim of tracking the performance evolution (the lower the ratio the better performance)².

Impact so far during Asterion's ownership:

- Avoided Emissions since acquisition through renewable generation: 1,010,962Tn of CO₂
- Avoided Emissions in 2022 through renewable generation: 491,445Tn of CO₂
- Sorgenia's emission ratio 2022: 0.316 tCO₂/MWh

¹Including Asterion Fund I and co-investors.

²Emission ratio of all Sorgenia assets is calculated dividing the total tons of CO₂ emitted by the company's CCGT and biomass plants, by the total amount of electricity produced (kWh) by all Sorgenia assets (CCGTs, biomass, wind and solar). By calculating this ratio we are able to track Sorgenia's performance against previous years and targets.

Asterion Industrial Infra Fund I

INVESTMENT DATE:

October 2020

HEADQUARTERS:

Milan, Italy

WEBSITE:

www.sorgenia.it

SECTOR:

Utilities

NUMBER OF EMPLOYEES:

598

2022 REVENUES:

€6,164m

COUNTRIES OF OPERATION:

Italy

AIP % OWNERSHIP¹:

27.6%

SDG CONTRIBUTION



KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy transition and decarbonisation
2. Health and safety of workers
3. Proximity to the territory
4. Self-realisation of employees
5. Diversity and equal opportunities
6. Customer intimacy and digital transformation
7. Involvement of the supply chain
8. Circular economy

ESG PERFORMANCE UPDATE

ESG is embedded into Sorgenia's culture, business model and development, and unifies all functions within the group in a holistic way, including governance, institutional and regulatory affairs, relationship to markets, labour and communities, and environmental impact, with a focus on *Green Tech*.

Through 2022, Sorgenia has been working with an external sustainability advisor on the definition of the company's ESG Action Plan for the next years (2022 to 2024) which is expected to be finalized and approved by the BoD during Q1 of 2023. As part of this process, the Group has defined 6 key pillars relevant to their ESG strategy, each of which is comprised by specific actions and targets and are aligned with the company's corporate strategy:

- Contributing to the process of decarbonisation of the country by accelerating the energy transition
- Foster a circular economy
- Be responsible towards the territory and the community
- Spreading the culture of sustainability to foster the energy transition
- Ensuring the development and the well-being of people while respecting their uniqueness
- Solid and efficient governance to implement the company's sustainability strategy

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

As a key player in the energy transition space, environmental best practices have been embedded early on within the group. In this regard, the company continuously monitors selected environmental KPIs which progress is reported through its annual sustainability report. These KPIs include energy consumed, carbon footprint (scope 1 and 2), emissions avoided (which have been 491,445 tn CO₂eq in 2022, compared to 519,516 tn CO₂eq in 2021) and waste, among others. Additionally, as part of the ESG plan, the company is working on defining actions to reduce its emissions.

In relation to renewable energy generation, Sorgenia is committed to developing additional capacity of more than 500MW by 2028. In this regard, efforts in 2022 have focused on the construction of a biogas plant in Marcallo municipality (Italy) that will use OFMSW (Organic Fraction of Municipal Solid Waste), and which will start production in 2023, as well as the construction of two solar PV plants (in Grosseto and Collesalveti, Italy) for which generation is planned to start in 2024. Further renewable projects are also in the pipeline pending board approval.

DIVERSITY AND EQUAL OPPORTUNITIES

Diversity and inclusion are one of Sorgenia's key priorities. In this regard, the company has launched "Inclusion 360", a project that aims to integrate D&I within the company's strategy.

In regard to gender diversity, 33% of employees are women at the end of 2022, compared to 31% in 2021. Since Asterion's acquisition of the company, Sorgenia's board gender diversity has increased from 0% to 38% of female directors, additionally including a greater diversity in professional backgrounds, nationalities and cultures.

SHARED SUCCESS

A long-term incentive plan which includes employees from senior management, as well as first and second line managers, has been approved in 2022, incorporating multi-year performance bonus based on the achievement of specific business targets for 2022-2024. Additionally, as part of Sorgenia's commitment to integrating ESG within its operations, a proportion of this incentive plan is linked to ESG related KPIs which are included in the company's ESG Action Plan (e.g. the increase in the production of renewable energy).

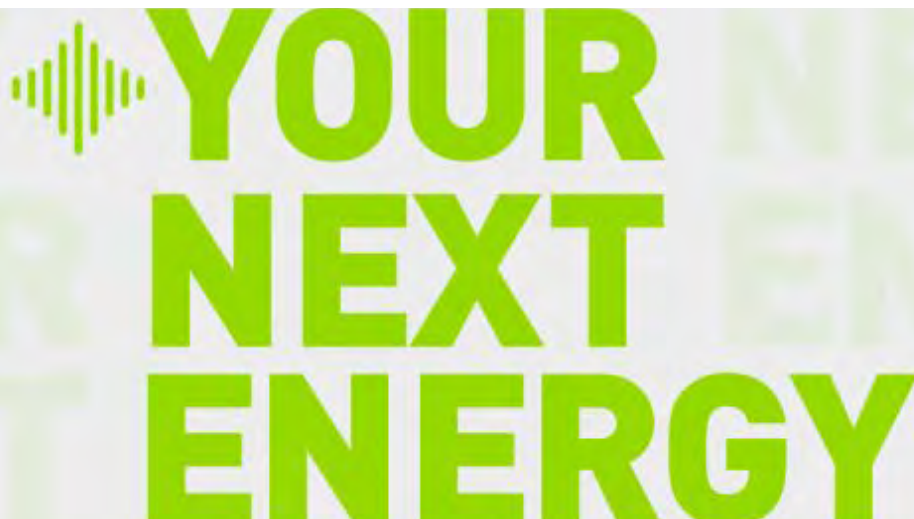
OTHER RELEVANT ESG DEVELOPMENTS

Health & Safety: Health and safety is central to Sorgenia's corporate culture for which the company actively encourages adoption of responsible behaviours, promoting greater attention and awareness to risks and working for ongoing improvement of standards. Over the past years, significant reduction in intervention time for the emergency team was achieved in case of accidents using a tailor-made app and augmented reality. Incident frequency dropped from 4.1 in 2017 to 1.9 in 2019, zero in 2020, 0.5 in 2021 and 0.6 in 2022 (due to 3 accidents attributable to fortuitous events).

Employment stability: Social initiatives have been historically at the forefront of Sorgenia's strategy, with a focus on employment stability (97% of collaborators work under permanent contracts, 96% in 2021 and 98% in 2020), diversity (Sorgenia was ranked among the top 20 companies in the Italian Diversity Brand Index in 2022) and work life balance (Sorgenia is certified as "Great Place to Work" since 2018, achieving this certification also in 2022).

Training: 21,695 hours of training to employees completed in 2022, constituting an average of 37 hours per employee for women and 36 for men and being the average more or less consistent across business categories.

Certifications: ISO 18295, ISO 9001, ISO 14001 and ISO 45001, ISO 50001.



KPIs 2020-2022

	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO2 eq	2,610,425	2,449,965	2,389,182
	Scope 2: Indirect GHG emissions	t CO2 eq	10,566	18,804	21,101
	Scope 3: Other indirect GHG emissions	t CO2 eq	N/D	N/D	N/D
	Company active in the fossil fuel sector ¹	YES/ NO	NO	NO	NO
	Share of non-renewable energy consumption ²	%	100%	84%	85%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO	NO	NO
	Emissions to water ³	TONS / M€	N/A	N/A	N/A
	Hazardous waste generated	TONS	112.15	719.72	936.77
	Carbon emissions reduction initiatives in place	YES/ NO	NO	NO	NO
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO	NO	NO
	Policies or grievance/complaints handling mechanisms ¹ to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ⁴	YES/ NO	NO	NO	YES
	Gender pay gap	%	4%	3%	-7%
	% of women on the board	%	38%	38%	38%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO	NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES	YES	YES
	Rate of accidents. N° of accidents* 1.000.000 / N° of hours worked	%	0%	2%	3%
	Number of days lost to injuries, accidents, fatalities or illness	N°	N/D	N/D	66
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0	0	0
Incidents of discrimination	N°	0	0	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	N/D	N/D	YES
	Percentage of indefinite contracts (vs. total contracts)	%	98%	96%	97%
	Hours of training per employee	HOURS/ EMPLOYEE	29.16	31.55	36.28
	Percentage of female staff over total workforce (including only full time employees)	%	35%	32%	33%
	Number of fatal accidents	N°	0	0	0
	Level of development of internal policies in place according to AIP standard	%	N/D	N/D	74%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	NO	NO	YES
IMPACT KPIs	Avoided Emissions since acquisition through renewable generation	t CO2 eq	N/D	N/D	1,010,962
	Avoided Emissions in 2022 through renewable generation	t CO2 eq	N/D	N/D	491,445
	Sorgenia's emission ratio 2022	TCO2/MWH	N/D	N/D	0.316

Legend

N/D No data available

N/A Not applicable

¹ Please note that after further interpretation of the regulation's guidelines, we have changed the answer to this PAI, as according to the SFDR definition of this indicator, Sorgenia is not considered a company active in the fossil fuel sector.

² During 2021 Sorgenia Bioenergie (biomass) and VRG (wind) became part of Sorgenia perimeter.

³ For its CCGT business (the only plant with industrial waste is Termoli): periodic sampling is carried out on industrial wastewater, results have always been below the thresholds set by local law. Same for Sorgenia Bioenergie plants.

⁴ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour.

COMPANY DESCRIPTION & ESG RATIONALE

Retelit is an Italian provider of digital infrastructure services, namely wholesale fibre and information & communications technology (ICT) services to telcos, companies and governmental entities.

The company had been listed on the Milan Stock Exchange since 2000 and listed on the STAR segment since 2016, and Asterion completed its full acquisition and delisting in 2021.

Through its activity, Retelit contributes to **bridging the digital divide in Italy**, a country that is severely fibre underpenetrated compared to the European average. In an increasingly interconnected world, Retelit provides B2B connectivity and wholesale access necessary to **bring down inequality in the country and key for companies to innovate and create value**.

In 2022, Asterion has completed the acquisition of Irideos, another leading Italian digital infrastructure operator offering connectivity, data centre and cloud solutions, with the aim of consolidating Retelit's and Irideos's position in the Italian telecom sector by merging the two highly complementary businesses, creating the largest alternative wholesale access and B2B connectivity provider in Italy. The acquisition of Irideos was completed in December 2022, hence the information contained in this report for 2022 is mainly in reference to Retelit (unless otherwise specified). Asterion and the companies will work on the integration of the businesses throughout 2023, including the ESG strategy, with the view of reporting them as one single business next year.

Impact KPI: To quantify the impact of Retelit's business on society, we monitor the number of **On-network ("On-Net") Sites** which are connected to the company's fibre network. This corresponds to the sum of the number of business customer sites, telecommunication towers and data centres connected, which represents a measure of Retelit's network reach and the impact the company has on enabling connectivity and digitalization in Italy, in line with the EU digital targets.

Impact so far during Asterion's ownership:

- Number of On-Net Sites which are connected to the company's fibre network (as of Dec 2022): 9,184
- 7,581 Business customer sites
- 1,554 FTTTs
- 49 data centres of other operators

Asterion Industrial Infra Fund I & II

INVESTMENT DATE:
October 2020

HEADQUARTERS:
Milan, Italy

WEBSITE:
www.retelit.it

SECTOR:
Fibre

NUMBER OF EMPLOYEES:
621

2022 REVENUES:
€199m

COUNTRIES OF OPERATION:
Italy
(limited activity
in Austria & Germany)

AIP % OWNERSHIP¹:
100%

SDG CONTRIBUTION



¹ Including Asterion Fund I, Fund II and co-investors.

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected considering the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Customer satisfaction
2. Cybersecurity and digitalization
3. Anti-corruption & Business ethics
4. Innovation and digitalization
5. Health & Safety
6. Emergency management & recovery
7. Employee management (retention, training and development)
8. Diversity & Inclusion, non-discrimination and equal opportunity
9. Energy management, consumption & climate change
10. Waste management
11. Support and involvement of local communities
12. Sustainable supply chain management and human rights

ESG PERFORMANCE UPDATE

Since Asterion's acquisition in late 2020 and early 2021, Retelit's management team has been working with an external advisor on enhancing the company's ESG strategy, which was approved at the beginning of 2022. Retelit's **ESG Action Plan is aligned with UN's Sustainable Development Goals** and includes priority actions, targets and measurement KPIs for 2022 to 2030.

Irideos, from its side, has also developed and approved a Sustainability plan for 2022 to 2025, including four main pillars (Environment, People, Business Responsibility, Governance Commitment and Communication) as well as actions and targets to be accomplished. Both plans will be integrated in due course as a result of the merger.

As part of its ESG Plan, Retelit has implemented this year a new ESG Management System, which allows for regular monitoring and deep understanding of the Group's ESG strategy progress. Most of the data is collected on a quarterly basis and it involves employees across different business units, creating awareness of the importance of accounting for non-financial information.

In addition to the Chief Sustainability Officer and the Group Sustainability Management Task Force formed in 2021, during 2022, the company has strengthened its team by adding an ESG expert, to help lead the Sustainability process and implement Retelit's ESG goals.

Since 2020, Retelit publishes a company's Sustainability Report, reporting on its progress on activities and practices following the standards defined by Global Reporting Initiative (GRI).

To formalise its commitment to a sustainable development of its operations, Retelit has pledged this year to support the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption, committing to annually report on the progress made to implement them in a transparent and accountable way. The Principles are already included in the most relevant company policies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

This year, Retelit has made the **ambitious commitment to become a Net Zero company by 2050 according to the SBTi's² Corporate Net-Zero Standard criteria**. For this, the company has already identified and will be setting Scope I and Scope II emissions reduction targets for 2023 and is working with an external expert towards defining an action plan and mid-term Scope III emissions reduction targets.

²The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling organizations to set science-based emission reduction targets. For more information go to: sciencebasedtargets.org <https://sciencebasedtargets.org>

As part of its commitment with the environment, this year Retelit has also completed its first CDP (Carbon Disclosure Project³) Climate Change Questionnaire, a complex set of climate-related questions that aim to support companies measure and manage their risks and opportunities and provide a way to score their understanding and application of climate-related changes. Retelit has received a score of B- for 2022 and has identified the main improvement areas which will be incorporated into the 2023 plan.

DIVERSITY AND EQUAL OPPORTUNITIES

The company is strongly committed to fostering diversity and equality within its workforce, and for this, in March 2022 the Board of Directors approved the company's Diversity and Inclusion Policy (D&I). In this regard, the company has instituted a mandatory 3-hour course on D&I while the company's whistleblowing platform became also operational. The company has furthermore started work on a new policy aimed at supporting parenthood, aiming to decrease the risk of women leaving their positions after maternity leave and has begun work to achieve a gender equality certification (UNI/PdR 125:2002) in 2023.

Additionally, Retelit periodically monitors several D&I related KPIs which are annually reported through its Sustainability Report. Retelit's board of directors is composed of 33% women, as well as a board member with specific focus and background on ESG, to help drive the company's strategy.

SHARED SUCCESS

Retelit has introduced a Management By Objectives (MBO) program, rewarding all its employees with a monetary compensation for achieving specific goals linked to company performance in 2022. In addition, about 33% of the top managers received ESG-related objectives.

OTHER RELEVANT ESG DEVELOPMENTS

Employee wellbeing: In May 2022 the company released the fourth edition of the Procedures for the Emergency caused by the Covid-19 pandemic, to make sure every employee or external individual involved in Retelit's activity can operate safely. As a further measure to ensure work/life balance, Retelit also published a specific work-from-home policy allowing a greater degree of flexibility for employees.

Over the course of 2022 new channels of employee engagement were introduced, namely questionnaires, one of which is aimed at measuring the potential interest in joining business volunteering opportunities, an area that the company intends to develop over the following years to improve its impact on local communities.

Supply chain: As part of its efforts to improve supply chain transparency, the company has introduced a Code of Conduct for its suppliers. The Code requires suppliers to respect human rights and adopt a precautionary approach towards environmental damage, responsible sourcing and management of personal data. Additionally, as part of Retelit's selection process, a general questionnaire on technical performance, quality and costs, among other aspects, must be completed by all suppliers. In 2022, the company has included ESG aspects within this questionnaire, accounting for 10% of the overall score.

³ CDP is a not-for-profit organization that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. The world's economy looks to CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action. For more information visit: <https://www.cdp.net>

The company has also signed a three-year deal with EcoVadis to engage with the supply chain and map out potential areas of risk, starting with the engagement of the company's top 70 suppliers whose ESG performance will be assessed. EcoVadis will also conduct audits to verify suppliers' claims and will subsequently attribute each supplier a score ("medal") that attests their level of ESG maturity and provide them with advice on how to improve their performance. Retelit itself will undergo this audit and by the end of 2023 will receive a medal. The project will also facilitate information gathering relating to the company's Scope III emissions which will expedite the process of setting targets for emissions reduction.

Stakeholder engagement: In 2022, the company was also involved or directly organized several events to engage with stakeholders (especially clients and suppliers) as part of its communication strategy. During 7 of them (about one every ten events) the Retelit's representants covered topics that are considered fundamental for the sustainable development of the ICT business (mainly the necessity of energy efficiency and emission reduction). Retelit also joined the local communities during cultural and sportive events, such as PordenoneLegge and the Milano Marathon respectively.



KPIs 2020-2022

	INDICATOR	UNIT	2020	2021	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO ₂ eq	595	1,026	2,024
	Scope 2: Indirect GHG emissions	t CO ₂ eq	5,632	6,623	7,256
	Scope 3: Other indirect GHG emissions ¹	t CO ₂ eq	N/D	N/D	39,634
	Company active in the fossil fuel sector	YES/ NO	NO	NO	NO
	Share of non-renewable energy consumption ²	%	98%	98%	98%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	N/A	N/A	N/A
	Emissions to water	TONS / M€	N/A	N/A	N/A
	Hazardous waste generated	TONS	1.00	5.00	0.64
	Carbon emissions reduction initiatives in place ³	YES/ NO	NO	NO	YES
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO	NO	NO
	Policies or grievance/complaints handling mechanisms to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ⁴	YES/ NO	NO	NO	YES
	Gender pay gap	%	4%	3%	2%
	% of women on the board	%	33%	33%	33%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO	NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES	YES	YES
	Rate of accidents: N° of accidents* 1.000.000 / N° of hours worked	%	4%	1%	2%
	Number of days lost to injuries, accidents, fatalities or illness	N°	85	82	24
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0	0	0
Incidents of discrimination	N°	0	0	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	NO	NO	YES
	Percentage of indefinite contracts (vs. total contracts) ⁵	%	99%	98%	100%
	Hours of training per employee	HOURS/ EMPLOYEE	12.35	12.72	41.08
	Percentage of female staff over total workforce (including only full time employees)	%	28%	28%	28%
	Number of fatal accidents	N°	0	0	0
	Level of development of internal policies in place according to AIP standard	%	N/A	N/A	59%
	Management equity /equity like incentive plans	YES / NO/ IN PROGRESS	NO	NO	IN PROGRESS
IMPACT KPIs	Total number of On-Net Sites which are connected to the company's fibre network	N°	N/D	N/D	9,184

Legend

N/D No data available

N/A Not applicable

¹ For the calculation of scope 3, the following categories have been taken into account: Purchased goods and services, Capital goods / assets, Fuel- and energy-related emissions, Upstream transportation and distribution, Waste generated in operations, Business Travel, Employee commuting, Upstream leased assets, Downstream transportation and distribution and Downstream leased assets.

² The company owns 3 small photovoltaic power plants and bought a percentage of green energy from the grid.

³ In 2022, the company signed the commitment to reach Net Zero by 2050 (complying with SBTi guidelines).

⁴ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour. The company has included the UN Global Compact and the OECD Guidelines for Multinational Enterprises in several internal policies and procedures, but also in the Suppliers' Code of Conduct. Furthermore, in 2022 the CEO signed the letter of commitment to UNGC and the company will start releasing its CoP in 2023.

⁵ In 2021, this KPI was not available for a newly acquired company of the Group (Welol S.r.l.), hence the datum considers only employees from the other companies. Welol S.r.l. was fully integrated in the reporting process for 2022.

COMPANY DESCRIPTION & ESG RATIONALE

Barter Energy was the first investment of Asterion’s Energy Transition Solutions Platform (ETS), a platform created with the aim of providing different energy solutions, services and technologies that promote energy transition. Barter is focused on the **deployment of shared solar rooftop installations**, creating **solar communities that can access 100% renewable energy** without the need of building their own installation, **bridging the gap between rooftop owners and nearby consumers** who would like access to renewable energy. Through its activity, Barter will be able to provide affordable electricity and savings compared to current energy bills, especially given the very high-power prices we see today.

Barter aims to play an important role in the energy transition in Spain through electricity generation and demand, and the integration of additional services as sustainable energy adoption continues to expand. As part of this strategy, Barter acquired **Blaudrive** in 2022, an **EV charging business** currently operating in the Spanish market, which **links Barter’s generation of solar energy with the charging of the vehicles**, contributing further to the energy transition and helping to **reduce the carbon footprint of the transportation sector**¹.

Impact KPI: Barter’s activity generates both a social and environmental impact by providing access to affordable renewable energy to consumers. To calculate its environmental impact, we will be calculating **Barter’s avoided emissions**, comparing the emissions that have been avoided or reduced as a result of Barter’s solar communities to those that would have been emitted into the atmosphere to generate the same amount of electricity, if the company did not exist. The company has already put in place a process to measure avoided CO2 emissions as soon as generation data are available.

Avoided emissions (Tons CO2)²:

To be reported once generation starts.

¹ Given that the acquisition of Blaudrive by Barter is still very recent, for the purpose of this report, the scope will exclude Blaudrive, with the aim of incorporating it in next year’s report. It is important to highlight that Blaudrive will be completely integrated into Barter and will adopt and adhere to its internal policies and ESG strategy.

² To estimate future emissions avoided, we will use the last published Spanish generation emissions factor.

Asterion Industrial Infra Fund II

INVESTMENT DATE:

April 2021
(October 2022 for Blaudrive add-on)

HEADQUARTERS:

Madrid, Spain

WEBSITE:

www.barterenergy.es

SECTOR:

Renewable energy

NUMBER OF EMPLOYEES:

25

2022 REVENUES:

€21,591

COUNTRIES OF OPERATION:

Spain

AIP % OWNERSHIP:

100%
(Barter & Blaudrive)

SDG CONTRIBUTION



KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Carbon footprint management
2. Supply chain management & Responsible sourcing
3. Health & Safety
4. Employee recruitment, retention and development
5. Product safety

ESG PERFORMANCE UPDATE

Barter's purpose has an **intrinsic environmental and social contribution**. Furthermore, the company is committed to incorporating best-in-class ESG practices to ensure they build a responsible business.

Since inception in April 2021, both Asterion and Barter's management teams have been working on the development of the company's ESG strategy. Through 2022, the company has taken several important steps in this direction, starting with appointing an ESG team led by the CT&O with strong support from the CFO and CEO, and developing the company's ESG Action Plan, which was developed with the help of an external advisor and approved by the Board of Directors this year. The Plan has a 4-year scope and includes the definition of several targets and corresponding actions to ensure key ESG priorities are addressed, and best-in-class internal processes are built.

In relation to Blaudrive, as mentioned above, the company is in the process of being integrated into Barter, adhering to its policies, processes and ESG strategy.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

In alignment with Asterion's priorities, Barter has included emissions management actions as part of its ESG Action Plan. In this context, the company has taken its first steps, starting with **measuring its carbon emissions, including scope 1, 2 and a limited scope 3³**, with the intention to analyse results and set reduction targets during 2023. For this, the company has worked with an external advisor who has helped develop a tool with the aim to allow Barter to continue measuring its carbon footprint in the future without the need of an external expert.

DIVERSITY AND EQUAL OPPORTUNITIES

Barter has developed a **diversity, inclusion and no discrimination employee's strategy** and is committed to integrate diversity within its culture as the company grows and develops. Its team is comprised by 25 people, 56% of which are women, and its Board of Directors is comprised by 4 women (57%) and 3 men (43%).

³ Barter's Scope 3 currently considers services, commuting, business trips, pernoctation, Taxi/VTC and courier. Services includes: Administrative activities and auxiliary services, Finance and Insurance Activities, Facilities, Professional, scientific and technical activities, Public Administration and Social Security, Information and Communication, Accommodation and Food and beverage services.

SHARED SUCCESS

In 2022, Asterion and Barter have worked on the definition and approval of a management incentive program which is to be signed during Q1 of 2023. This program includes 7 management members, representing 28% of the staff.

OTHER RELEVANT ESG DEVELOPMENTS

Internal policies: As part of the ESG Action Plan, Barter has worked on the definition and approval of a number of internal policies covering people management and supplier management policies, as well as a stakeholder map.

Flexible remuneration: Barter has started working on the definition of several employee benefits, including flexible remuneration options which includes restaurant tickets, childcare and public transport, which were already available by the end of 2022. Other measures will be defined and implemented in the short term.

Internship for students: As the company grows, it sees the value in working in cooperation with different universities and students who join for an internship period, with the aim of becoming a permanent employee. Barter has already hired one intern through this program and will continue to work with universities to discover new talent in the future.



KPIs 2022

	INDICATOR	UNIT	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO2 eq	6
	Scope 2: Indirect GHG emissions	t CO2 eq	4
	Scope 3: Other indirect GHG emissions ¹	t CO2 eq	26
	Company active in the fossil fuel sector	YES/ NO	NO
	Share of non-renewable energy consumption	%	N/D
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO
	Emissions to water	TONS / M€	N/A
	Hazardous waste generated ²	TONS	N/D
	Carbon emissions reduction initiatives in place	YES/ NO	NO
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO
	Policies or grievance/complaints handling mechanisms ³ to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ³	YES/ NO	NO
	Gender pay gap	%	-6%
	% of women on the board	%	57%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES
	Rate of accidents· N° of accidents* 1.000.000 / N° of hours worked	%	0%
	Number of days lost to injuries· accidents· fatalities or illness	N°	0
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0
Incidents of discrimination	N°	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	YES
	Percentage of indefinite contracts (vs· total contracts)	%	100%
	Hours of training per employee ⁴	HOURS/EMPLOYEE	N/D
	Percentage of female staff over total workforce (including only full time employees)	%	64%
	Number of fatal accidents	N°	0
	Level of development of internal policies in place according to AIP standard	%	43%
	Management equity /equity like incentive plans	YES/ NO/ IN PROGRESS	IN PROGRESS
IMPACT KPIs	Avoided emissions	t CO2 eq	N/A

Legend

N/D No data available

N/A Not applicable

¹ For the calculation of scope 3, the following categories have been taken into account: purchased good and services, non -production related procurement and all transportation by air, train, land, public transport, rented/leased vehicle and taxi.

² As an obligation and objective, Barter, will begin to measure the hazardous waste generated by 2023.

³ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour. Barter should develop and formalize a code of conduct, an emissions reduction plan and an anti-corruption policy, to fully comply with this KPI.

⁴ Mandatory Health & Safety training of 1 hour has been provided to each new employee during 2022. Further training activities will be developed in 2023.



MS3 Networks

COMPANY DESCRIPTION & ESG RATIONALE

MS3 is a fibre network operator based in Hull, UK, providing connectivity solutions to homes and businesses across the North of England. The company was created to challenge status quo and finally bring competition to the Hull connectivity market, until recently dominated by one large player.

Through its activity, MS3 contributes to bringing access to affordable internet to many deprived areas reducing the digital gap and creating jobs and training opportunities for young people.

Impact KPI: In order to quantify the impact the company has in the North of England, the number of homes passed and connected, and the implied per annum savings (for clients) are monitored. These KPIs reflect MS3's social reach as, through its activity, the company provides affordable fibre access in one of the most underprivileged rural areas in the UK, helping to connect people and areas that had no previous connection (bridging the digital gap) and allowing for equally accessible pricing (bridging inequality gap in rural areas).

Impact so far during Asterion's ownership:

- Number of homes passed in 2022¹: ~60,000
- Number of homes connected in 2022: ~700
- Implied per annum saving²: ~£92,000
- Number of homes passed since AIP acquisition: ~60,000

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy & Environmental management
2. Data Privacy & Security
3. Client satisfaction
4. Health & Safety Compliance
5. Recruiting/retaining and developing a diverse, skilled workforce

¹ This KPI is calculated in a cumulative way since Asterion's acquisition.

² Based on an average saving of £11 per month for a residential customer compared to competitor. As we move into more locations more economic analysis will be complete to inform more accurate economic impact.

Asterion Industrial Infra Fund II

INVESTMENT DATE:

December 2021

HEADQUARTERS:

Hull, UK

WEBSITE:

www.ms3networks.co.uk

SECTOR:

Fibre

NUMBER OF EMPLOYEES:

72

2022 REVENUES:

£670k

COUNTRIES OF OPERATION:

UK

AIP % OWNERSHIP:

100%

SDG CONTRIBUTION



ESG PERFORMANCE UPDATE

MS3 is committed to implement a responsible way of doing business within the organisation. For this, the company counts with an ESG responsible, who is also the People & Property Director supported by the People and Property team.

Throughout 2022, together with an external advisor, MS3 has worked on the development of a well-defined ESG Action Plan which contains specific targets and deadlines, with the aim to embed ESG in the company's business strategy as well as in its culture and values. The plan was approved in December 2022 and will be reviewed on a yearly basis. MS3 has developed an internal reporting structure with selected KPIs which will support implementation and monitoring of the ESG Plan which will be reported to the Board at least twice a year.

The company counts since 2021 with Data Protection and Anti-bribery Policies. The Health and Safety Policy is now being finalised and, in alignment with the ESG Action Plan, MS3 will continue to enhance its internal policies, starting with the Environmental, HR and Compliance Policies in 2023.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

As part of the ESG Action Plan, MS3 has started to measure their carbon footprint in 2022 (Scope 1, 2 & 3), with the aim to evaluate its impact and set reduction targets in the near future.

DIVERSITY AND EQUAL OPPORTUNITIES

MS3 is committed to integrating diversity, equality and inclusion within its culture. In this context MS3 has been working on the development of its employer brand, participating in diversity campaigns such as Women in Technology, which aims to attract a more gender diverse workforce. In November 2022 MS3 became a Disability Confident employer, in recognition of their commitment to being an inclusive place to work and an employer of choice for all. MS3 is currently working on their Diversity, Inclusion and Equality strategy for 2023 which will include raising awareness of and supporting all underrepresented groups including neurodiversity across the business as well as in the local communities in which it is present.

Since Asterion's acquisition of the company, MS3's board gender diversity has increased from 0% to 33% of female directors, additionally including a greater diversity in professional backgrounds, nationalities, and cultures.

MS3 is committed to provide equal opportunities in the workplace and currently employs 9% of people with disabilities.

Further, the company acknowledges the importance of local employment and 4% of colleagues are part of a local apprenticeship programme.

SHARED SUCCESS

Asterion and MS3 are currently working on the definition of a management incentive program. This program will be implemented in 2023 and it will include employees from top and middle management, and/or other key staff. Furthermore, the company expects to set performance-based incentives to ensure alignment of interest with ESG targets.

OTHER RELEVANT ESG DEVELOPMENTS

Health and safety: Health and safety is an essential aspect of MS3's corporate culture. In this regard, the company pays special attention to training and awareness which is reflected on its current 90% training compliance across the company. In 2022, MS3 hosted fire marshal and first aid trainings in November, counting now with 20 colleagues trained across the two disciplines. Additionally, the company has recruited an H&S Manager who will be joining the company at the beginning of 2023.

KPIs 2022			
	INDICATOR	UNIT	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	† CO2 eq	33
	Scope 2: Indirect GHG emissions	† CO2 eq	31
	Scope 3: Other indirect GHG emissions ¹	† CO2 eq	2,496
	Company active in the fossil fuel sector	YES/ NO	NO
	Share of non-renewable energy consumption	%	60%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	N/A
	Emissions to water	TONS / M€	N/A
	Hazardous waste generated	TONS	0
	Carbon emissions reduction initiatives in place	YES/ NO	NO
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO
	Policies or grievance/complaints handling mechanisms ² to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ²	YES/ NO	NO
	Gender pay gap ³	%	49%
	% of women on the board	%	33%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES
	Rate of accidents: N° of accidents* 1.000.000 / N° of hours worked	%	0%
	Number of days lost to injuries ² accidents ² fatalities or illness	N°	0
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0
Incidents of discrimination	N°	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	YES
	Percentage of indefinite contracts (vs total contracts) ⁴	%	100%
	Hours of training per employee	HOURS/EMPLOYEE	10.11
	Percentage of female staff over total workforce (including only full time employees)	%	26%
	Number of fatal accidents	N°	0
	Level of development of internal policies in place according to AIP standard	%	37%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	IN PROGRESS
IMPACT KPIs	Number of homes passed in 2022	N°	60,000
	Number of homes connected in 2022	N°	700
	Implied per annum savings (compared to competitor)	GBP	92,000
	Number of homes passed since AIP acquisition	N°	60,000

Legend

N/D No data available | N/A Not applicable

¹ For the calculation of scope 3, the following categories have been taken into account: waste, waste water, water supplied, material use, all transportation associated with business travel by air, sea, taxi, freighting goods, employees commuting, food and home office.

² An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour. MS3 should develop and formalize an emission reduction plan to fully comply with this KPI.

³ MS3's gender salary gap is explained by the differences between office-based administration roles, mostly occupied by female employees and construction roles, which are male dominated, both of which have been considered in the same professional category bucket for the purpose of the calculation. The company is working towards closing the gap.

⁴ There are 6 self-employed contractors in place but not employees.

COMPANY DESCRIPTION & ESG RATIONALE

Compagnie Électrique de Bretagne (CEB) is the operator of a 446MW natural gas fired CCGT (combined cycle gas turbine) located in Landivisiau, Brittany (France), that started operations in April 2022 with state-of-the-art technology.

CEB² is a critical asset for the region and for the energy transition, as it contributes towards decarbonization by replacing high CO₂ emitting technologies with a more efficient state-of-the-art CCGT technology, while providing the grid stability for further integration of renewables. Specifically, CEB enables a coal plant in the region to be shut down which will be replaced among other sources by CEB's generation. CEB also contributes to mitigate the increasing electric vulnerability of the Brittany region by providing critical infrastructure to help cover its baseload electricity needs, allowing for further renewables penetration. Because of these critical functions, CEB has been awarded long term capacity payments.

Natural gas fired CCGTs are a transition technology towards decarbonization that offer industry best-performance CO₂ emissions standards and produce significantly less GHG emissions than traditional gas-powered plants. This asset class is also designed to produce one-third of the NO₂ emissions and virtually eliminate SO₂ emissions in comparison with coal-fired plants, that are being phased out in France.

Regarding water management, considering that electricity generation is globally one of the most water-intensive industries in terms of water withdrawals, CCGT technology allows reduced water requirements, causing low impact on municipal supplies. CEB plant can operate up to 8 days without fresh water supply.

Impact KPI: CEB's environmental impact is based on replacing high CO₂ emitting technologies with more efficient state-of-the-art CCGT technology while providing the grid stability for further integration of renewables. Considering that, we have calculated the tons of CO₂ emissions avoided by producing electricity from CEB in comparison to the coal plant it replaces as part of the French government's plan to phase out coal. Emissions from CEB represent a c.65% decrease vs a coal plant.

Impact so far during Asterion's ownership:

- **Avoided emissions vs. coal plant (substituted as part of Government plan)³:** 1,655 ktCO₂eq.

¹ From Siemens who are in charge of the O&M.

² For more information regarding CEB's fit with the EU Taxonomy, please see the table "Portfolio alignment with the SFDR" on Section 5.

³ The KPI is cumulative from Asterion's investment date and is calculated with the following formula: MWh of energy produced * (CO₂ emissions per MWh of energy produced of a coal plant – CO₂ emissions per MWh of energy produced at CEB).

Asterion Industrial Infra Fund II

INVESTMENT DATE:

April 2022

HEADQUARTERS:

Landivisiau, France

WEBSITE:

N/A

SECTOR:

Energy

NUMBER OF EMPLOYEES:

4 (+34 external FTEs¹)

2022 REVENUES:

€960m

COUNTRIES OF OPERATION:

France

AIP % OWNERSHIP:

50%

SDG CONTRIBUTION



KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Carbon footprint management
2. Health & Safety
3. Water management
4. Biodiversity
5. Cybersecurity

ESG PERFORMANCE UPDATE

An ESG Plan budget for 2023 of €1m has been approved with a total of 5 initiatives covered. Key initiatives include (i) installing rooftop PV, (ii) further analyzing gas treatment optimization, (iii) digital initiatives to reduce energy losses, (iv) fast start / fast shutdown and (v) variators on pumps, fans and compressors.

Since acquisition in April, Asterion, TotalEnergies (TE) and CEB have been working on the development of an ESG Action Plan for 2022-2024, which was approved in November. The key objective of CEB's ESG Plan is to support and reinforce the business strategy, promoting the company's response to social, environmental and good governance challenges, with a global vision, reducing risks and developing opportunities that meet the needs of its stakeholders, with a strong focus on emissions management initiatives. As part of the development of the plan, 33 initiatives were analysed (including decarbonization initiatives and optimizations) based on their feasibility, decarbonization potential, regulatory framework, maturity and economic implication, and finally 5 were approved. The company is also doing a diagnostics analysis regarding the preservation of the biodiversity of the area with an associated action plan.

Since acquisition, CEB has already reviewed and adhered to several compliance and ESG policies which have been developed by TotalEnergies, our partner in this transaction who has best-in-class ESG management, including policies and processes. Some of these policies are: Health and Safety, Stakeholder Relations, Criminal Compliance (Anti-Bribery & Corruption, AML/KYC), Intermediaries & Agents, International Sanctions Policies, as well as the company's Code of Conduct. In addition, we plan to do an annual leak detection campaign.

The CCGT is an asset managed by TotalEnergies and Asterion with operations and maintenance provided by EPC partner Siemens, both which have demonstrated best practices in ESG Performance.

Please find below an update on the progress during 2022 of selected topics which are of key importance to Asterion and which we monitor closely in all our companies.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

As mentioned, the key aspect of CEB's ESG Action Plan are environmental issues, mostly related to emissions. Key initiatives of the plan include (i) installing rooftop PV, (ii) further analysing gas treatment optimization and (iii) digital initiatives to reduce energy losses, (iv) fast start / fast shutdown and (v) variators on pumps, fans and compressors.

DIVERSITY AND EQUAL OPPORTUNITIES

Not applicable in this case. There are only 4 FTEs in CEB, who are TotalEnergies employees that have been seconded in CEB.

SHARED SUCCESS

Not applicable in this case. There are only 4 FTEs in CEB, who are TotalEnergies employees that have been seconded in CEB. These employees are subject to TE's compensation policy, which involves fixed and variable compensation.

For the successful operation of the CCGT, CEB has an energy management agreement with TotalEnergies and an O&M contract with Siemens which provides for an annual bonus mechanism based on the performance of the trading and availability of the plant, respectively.

OTHER RELEVANT ESG DEVELOPMENTS

Health and safety: The company has adopted the Health and Safety policies from TotalEnergies to ensure the maximum standards in that regard. Monthly reporting to the board has been put in place.



KPIs 2022

	INDICATOR	UNIT	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO2 eq	888,862
	Scope 2: Indirect GHG emissions	t CO2 eq	141
	Scope 3: Other indirect GHG emissions	t CO2 eq	N/D
	Company active in the fossil fuel sector ¹	YES/ NO	NO
	Share of non-renewable energy consumption	%	100%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO
	Emissions to water	TONS / M€	1.77
	Hazardous waste generated	TONS	0
	Carbon emissions reduction initiatives in place ²	YES/ NO	YES
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO
	Policies or grievance/complaints handling mechanisms ³ to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ³	YES/ NO	YES
	Gender pay gap ⁴	%	N/A
	% of women on the board	%	25%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES
	Rate of accidents· N° of accidents* 1.000.000 / N° of hours worked	%	0%
	Number of days lost to injuries· accidents· fatalities or illness	N°	0
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0
Incidents of discrimination	N°	0	
ADDITIONAL KPIs (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	YES
	Percentage of indefinite contracts (vs· total contracts)	%	100%
	Hours of training per employee	HOURS/EMPLOYEE	23.00
	Percentage of female staff over total workforce (including only full time employees)	%	25%
	Number of fatal accidents	N°	0
	Level of development of internal policies in place according to AIP standard	%	39%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	N/A
IMPACT KPIs	Avoided emissions vs. coal plant (substituted as part of Government plan)	Kt CO2 eq	1,655

Legend

N/D No data available

N/A Not applicable

¹ Please note that after further interpretation of the regulation's guidelines, we have changed the answer to this PAI, as according to the SFDR definition of this indicator, CEB is not considered a company active in the fossil fuel sector.

² State-of-the-art technology and superior thermal efficiency of the plant. In addition, ESG Plan approved to continue reducing emissions.

³ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour.

⁴ CEB only has 4 employees seconded from TotalEnergies, hence remuneration policy is not controlled by CEB. The O&M of the plant is subcontracted to Siemens.

COMPANY DESCRIPTION & ESG RATIONALE

Olin Group (fka Tuca Platform) consists on a partnership with Teras Capital, an investment boutique of seasoned telco entrepreneurs, to create a rural FTTH platform with footprint across the South of Spain through a buy and build strategy. Since inception of the platform and as of December 2022, AIP has completed four acquisitions as part of this platform, Olivenet, Cartago, Comernesol and AION.

The companies are in the process of being integrated into the platform, and both have a business model which is deeply integrated into their local communities and the municipalities they serve, focusing on local employment and having a very loyal customer base due to the affordability of the service as well as to the local content provided.

Impact KPI: Through its state-of-the-art fibre network and infrastructure, Olin Group is bridging the rural digital divide. By measuring the number of homes passed, we are able to quantify the social impact of the company's activity, as its fibre roll-out serves 37 municipalities in rural and low-density areas of Andalucia (south of Spain) ensuring affordable internet access to its population, which is a critical element for communication and economic growth, as well as health and education through access to medical and teaching resources.

Impact so far during Asterion's ownership:

- **Number of homes passed in 2022:** No additional homes passed in 2022².
- **Number of homes passed since AIP acquisition:** Given the recent creation of Olin Group there are no new homes passed since Asterion became a shareholder. This KPI will be monitored and reported on an ongoing basis².

KEY ESG TOPICS FOR THE COMPANY

The following topics are those on which the company has specific focus and have been selected taking into account the company's industry, geographical presence, size, type of activity, management priorities and wider stakeholders' needs. It does not exclude other ESG matters from being considered or integrated into the company's management.

1. Energy management & environmental footprint
2. Data Privacy & Security
3. Client satisfaction
4. Health & Safety Compliance
5. Recruiting/retaining and developing a diverse, skilled workforce
6. Local impact & Digital inclusion

Asterion Industrial Infra Fund II

INVESTMENT DATE:

April 2022

HEADQUARTERS:

Madrid, Spain

WEBSITE:

www.olingroup.es

SECTOR:

Fibre

NUMBER OF EMPLOYEES¹:

5

2022 REVENUES:

€25m

COUNTRIES OF OPERATION:

Spain

AIP % OWNERSHIP:

100%

SDG CONTRIBUTION



¹ Please note these are the employees directly employed by Olin Group's holding company. Considering the subsidiaries of the platform, the number of employees would be c.150.

² Please note accumulated number of homes passed from the group is 970,000.

ESG PERFORMANCE UPDATE

Given Olin Group is a platform in build-up, it is currently focused on creating a governance structure and framework from scratch.

With regards to ESG, the company has already appointed an ESG responsible, who is also in charge of HR. Additionally, an ESG committee that will meet on a monthly basis has been created. This committee is formed by the CEO, the CFO and the Head of ESG. ESG topics will be discussed at the weekly management meetings as well as at the Board of Directors (which meets on a bi-weekly basis) when applicable.

In addition, initial efforts to develop the company's ESG strategy have been done and the company has started the process to create a number of internal policies and procedures, including legal and compliance.

To support the process of setting up its ESG strategy and priorities under a transversal approach that efficiently addresses the needs applicable to its local operators, the company will leverage an external advisor as well as resources from the wider Asterion team to assist on defining the strategic priorities to be pursued by its different operators in order to have consistency across the Group's strategy. The targets will be reviewed on a yearly basis and will ensure strict compliance with relevant ESG legislation and industry trends. This framework is in the process of being developed and priorities for 2023 have already been set.

Notwithstanding the company and its different subsidiaries already present several efficiencies in some of the Key ESG topics identified:

- OliveNet has a certified environmental management system under ISO 14001, which contributes to the energy management & environmental footprint.
- Both Cartago telecom and OliveNet have public data protection & privacy policies aligned with EU GDPR & Spain's LOPDGDD regulations, disclaimers and consent forms for personal data processing are enabled on their websites. OliveNet also appointed a Data Protection Delegate (DPD) identified in the public policy in case of any queries.
- OliveNet has a certified quality management system under ISO 9001, which contributes to the good management of Client satisfaction. The Group is focused on giving continuity to these certifications and including additional ones as part of its ESG Strategy. Additionally, both Cartago telecom and OliveNet have public web-based communication & customer service channels, open to be used by any stakeholder, also contributing to maintaining a good client satisfaction.
- Both Cartago telecom and OliveNet have health & safety risk prevention plans in place according to the applicable legislation, including audits, training for all the staff, and medical check-ups.
- OliveNet is included within Spain's government Digital Social Voucher (bono social digital), directly generating a positive local impact and digital inclusion. Furthermore, this topic is embedded in the Group's overall business strategy and purpose.

At a group level, Olin is working on the definition of a MEP (Management equity program) which will be approved during the first semester of 2023. The defined MEP currently involves the CEO and the CFO of the Group, and will be extended to other key employees in the future in line with Asterion's shared success philosophy.

Olin Group holds an ongoing commitment to further enhance the sustainable positioning of the business through appropriate management measures in relation to the key ESG topics, prioritizing the goals and actions established by its upcoming ESG Positioning & Framework. More detailed information will be reported in the future as the Group grows.

KPIs 2022¹

	INDICATOR	UNIT	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO2 eq	N/D
	Scope 2: Indirect GHG emissions	t CO2 eq	N/D
	Scope 3: Other indirect GHG emissions	t CO2 eq	N/D
	Company active in the fossil fuel sector	YES/ NO	NO
	Share of non-renewable energy consumption	%	N/D
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO
	Emissions to water	TONS / M€	N/A
	Hazardous waste generated	TONS	N/D
	Carbon emissions reduction initiatives in place	YES/ NO	NO
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO
	Policies or grievance/complaints handling mechanisms ² to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ²	YES/ NO	NO
	Gender pay gap	%	9%
	% of women on the board	%	0%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES
	Rate of accidents· N° of accidents* 1.000.000 / N° of hours worked	%	0%
	Number of days lost to injuries· accidents· fatalities or illness	N°	0
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0
Incidents of discrimination	N°	0	
ADDITIONAL KPIS (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	YES
	Percentage of indefinite contracts (vs total contracts)	%	100%
	Hours of training per employee	HOURS/EMPLOYEE	N/D
	Percentage of female staff over total workforce (including only full time employees)	%	20%
	Number of fatal accidents	N°	0
	Level of development of internal policies in place according to AIP standard	%	74%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	IN PROGRESS
IMPACT KPIS	Number of homes passed in 20223	N°	0
	Number of homes passed since AIP acquisition ³	N°	0

Legend
N/D No data available
N/A Not applicable

¹ Please note that given Olin Group is a platform in build-up, it is currently focused on creating a governance structure and framework from scratch and hence it has not been possible to collect certain KPIs. The company is currently working towards building internal systems to be able to report them for the next reporting period.

² An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour. Olin Group should develop and formalize a code of conduct and an emission reduction plan, to fully comply with this KPI.

³ The company was acquired in 2022, hence, no additional homes were passed in 2022. Please note accumulated number of homes passed from the group is 970,000.



COMPANY DESCRIPTION & ESG RATIONALE

Founded in 2019, NBI is a rural FTTH company based in Ireland that was created to support the National Broadband Plan (NBP), one of the most ambitious fibre rollouts in the world, to deliver high quality broadband access to ~ 559k addresses in the country's remote and underserved areas.

This investment will bring world-leading broadband infrastructure to over 1.1 million citizens across rural Ireland, and in doing so, will help Ireland be years ahead of the EU's target of a gigabit society by 2030.

NBI believes that better broadband networks promote social progress, equality and sustainability. With equal access to local, national and global opportunity, every person, community and organisation in Ireland will be empowered to achieve more.

Impact KPI: By delivering high speed broadband to Ireland's remote and underserved areas, NBI is reducing the digital divide and enabling affordable internet access in rural areas. In a way to measure the company's social impact, the KPI Number of homes passed enables us to understand the reach of our actions.

Impact so far during Asterion's ownership:

- Number of homes passed in 2022 since AIP acquisition (Nov and Dec only): 17,899

KEY ESG TOPICS FOR THE COMPANY

The company is currently undergoing a process to define key ESG priorities for the coming years.

ESG PERFORMANCE UPDATE

ESG factors underpin the way NBI carries out its business, encompassing its corporate governance and risk management frameworks, human resource management, approach to serving its customers, sponsorship for local communities and the management of its operations.

Since its establishment in 2020, NBI recognises the potential for environmental, social and governance risks, and works to identify and manage them, just as it manages risks in all other business areas. NBI believes companies like theirs have an obligation to put their businesses to work for all stakeholders and shareholders. For NBI, this means leveraging its business policy expertise, data and national

Asterion Industrial Infra Fund II

INVESTMENT DATE:

November 2022

HEADQUARTERS:

Dublin, Ireland

WEBSITE:

www.nbi.ie

SECTOR:

Fibre

NUMBER OF EMPLOYEES:

357

2022 REVENUES:

€177m

COUNTRIES OF OPERATION:

Ireland

AIP % OWNERSHIP¹:

80%

SDG CONTRIBUTION



¹ Including Asterion Fund II and co-investors.

presence to help drive inclusive economic growth, expand access to opportunity, accelerate sustainability and climate solutions, and bridge the divide between rural and urban Ireland.

One of the first actions implemented since acquisition has been to establish an ESG team, formed by the heads of different business areas such as Strategy and Governance, HR, HSQE & Compliance, Procurement and Communities & Social, as well as reporting structures and cadence to support the further development and delivery of NBI's ESG efforts. A formal ESG policy is already being developed. In addition, there are several initiatives that NBI has undertaken to-date, which can be used as the basis for a well-defined ESG strategy, which will be one of the team's main focuses for the coming months.

EMISSIONS MANAGEMENT & ROAD TO DECARBONIZATION

NBI is actively transitioning towards decarbonisation, with the ambition to become carbon neutral (NBI operations) by 2030, and across its supply chain by 2035. The company already measures Scope 1, 2 & 3 emissions and a plan with reduction actions is being put in place.

NBI achieved ISO 50001 certification (which focuses exclusively on energy) and is currently concentrating on ongoing and sustained improvements in energy efficiency as well as reductions in greenhouse gas emissions.

DIVERSITY AND EQUAL OPPORTUNITIES

NBI is actively engaging in a range of activities to promote and develop a diverse workforce, including gender (and gender identity) and nationality. Through NBI's colleague and community engagement programme, the company continuously invests in its talent and enhances a diverse, inclusive and hybrid work environment. Progress is measured annually through a colleague survey, which tracks a workforce engagement score.

Since Asterion's acquisition, NBI's Board of Directors' gender diversity has increased from 11% to 33% of female directors at the operating company level, and includes greater diversity in professional backgrounds, nationalities and cultures.

SHARED SUCCESS

Asterion and NBI have agreed on a management incentive program which will align with the company's ability to achieve key network deployment milestones. This will further support the ESG impact KPI that has been defined (number of homes passed). While the final allocation is still to be determined, the intention is for it to cover the senior management team. Additionally, there is an annual bonus plan in place to award all staff for their hard work and dedication. Part of this bonus will be linked to ESG objectives going forward to ensure alignment in all areas of the business.

OTHER RELEVANT ESG DEVELOPMENTS

Health & Safety: Having embedded ISO 45001 within the organization, NBI is driving higher H&S standards across the delivery of the NBP by ensuring all build contractors are accredited to the same ISO standard.

Community Engagement: Through NBI's partnership with the Rise Global Foundation, the company further addresses the rural digital divide with monthly grants to empower local groups to enhance their digital strategy. In 2022, Rise, issued 55 individual grants, across 19 different counties and 5 different sectors (farms, community centres, social enterprises, small businesses and charities)².

² Please refer to section "Alignment with The Asterion Way" in Section 5 of this report, for more information on the purpose and impact of RISE Foundation.

KPIS 2022

	INDICATOR	UNIT	2022
ENVIRONMENTAL	Scope 1: Direct GHG emissions	t CO2 eq	179
	Scope 2: Indirect GHG emissions ¹	t CO2 eq	0
	Scope 3: Other indirect GHG emissions ²	t CO2 eq	8,812
	Company active in the fossil fuel sector	YES/ NO	NO
	Share of non-renewable energy consumption	%	0%
	Activities negatively affecting biodiversity-sensitive areas	YES/ NO	NO
	Emissions to water	TONS / M€	0
	Hazardous waste generated	TONS	0
	Carbon emissions reduction initiatives in place ³	YES/ NO	YES
SOCIAL	Involvement in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	YES/ NO	NO
	Policies or grievance/complaints handling mechanisms ⁴ to comply with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in place ⁴	YES/ NO	YES
	Gender pay gap	%	15%
	% of women on the board	%	33%
	Involvement in the manufacturing or selling of controversial weapons	YES/ NO	NO
	Workplace accident prevention policies in place	YES/ NO	YES
	Rate of accidents: N° of accidents* 1.000.000 / N° of hours worked	%	0%
	Number of days lost to injuries, accidents, fatalities or illness ⁵	N°	146
	Number of convictions for violation of anti-corruption and anti-bribery laws	N°	0
Incidents of discrimination	N°	0	
ADDITIONAL KPIS (NON-SFDR)	Appointed ESG manager/ team	YES/ NO	YES
	Percentage of indefinite contracts (vs. total contracts)	%	97%
	Hours of training per employee	HOURS/EMPLOYEE	15.87
	Percentage of female staff over total workforce (including only full time employees)	%	30%
	Number of fatal accidents	N°	0
	Level of development of internal policies in place according to AIP standard	%	87%
	Management equity /equity like incentive plans	YES / NO / IN PROGRESS	YES
IMPACT KPIS	Number of homes passed in 2022 since AIP acquisition	N°	17,899

Legend

N/D No data available

N/A Not applicable

¹ 100% Renewable energy is used (Onshore Wind energy). However, Carbon intensity of renewable energy is not Zero, for onshore wind turbines, that roughly equates to 11 grammes of CO2e per KWh produced/used. We are currently discussing this with our energy supplier to understand if this has been offset under their scope 3. 2021 is 2.4 t CO2 eq and 2022 is 6.2 t CO2 eq.

² For the calculation of scope 3, the following categories have been taken into account: purchased goods and services, fuel and energy related emissions, upstream transportation and distribution, waste generated in operations, business travel, employee commuting (average-data method is used). The total CO2e emissions figure does not include Emissions from employee teleworking, downstream transportation and distribution, end-of-life treatment of sold products, and processing of sold products.

³ NBI has obtained the ISO 50001 certification. As part of which, NBI has developed emissions and energy reduction initiatives such as moving to Hybrid cars, integrating a cycle to work scheme and implementing an Energy Monitoring System at the CityWest office.

⁴ An assessment to comply with the UN Global Compact principles and OECD Guidelines has not been carried out. As a way to assess this PAI, Asterion has defined an internal methodology which consists of analysing if the company has the following four policies: Environmental policy/Emission reduction initiatives, Code of Conduct, Anti-Corruption Policy and Respect for workers rights, freedom of association and abolition of child labour. Regarding the last, given that all Asterion companies are in the European Zone, it is understood that they operate without compromising the freedom of their workers, nor that they employ child labour.

⁵ Full data for 2022 can only be obtained from 1st July 2023 - no LTT's since May 2022 so expect figure for 2022 will remain 0.

ASTERION

INDUSTRIAL