SUSI PARTNERS
IMPACTFUL RETURNS

SUSTAINABILITY REPORT

Annual report 2022

CONTENT

ABOUT THIS REPORT

This report addresses all stakeholders of SUSI Partners AG and its affiliates and provides an overview of the firm's efforts in ensuring the sustainability of its investments and the company as a whole, with a particular focus on the respective impacts on society and the environment more broadly. All readers are encouraged to read through the important legal information regarding this report at the end of this document on Page 28.

NOTE FROM THE CO-CEOs

Dear stakeholders,

The world has been confronted with extraordinary circumstances of various origins for the last three years – a pandemic, extreme weather events, a war in Europe, surging energy prices, broader inflation, disrupted supply chains, and interest rates rising at a speed not seen in decades. In such turbulent times, we can count ourselves among the lucky ones. Our business – investing in energy transition infrastructure – is proving resilient, and the underlying mission to mitigate climate change and helping to build clean, affordable, and secure energy systems has not been put in question.

On the contrary, it has now become abundantly clear that decentralised, efficient, and flexible energy systems based on renewable sources also increase energy security and affordability for nations and consumers, thus driving economic activity and helping create prosperous societies. We have reason to be hopeful that the increasing awareness of this reality is going to provide a further boost to energy transition efforts across the globe.

Nevertheless, the complexities associated with investing in the energy transition have certainly not decreased. How are rising interest rates going to affect capital allocation? How can we diversify and secure supply chains and how do we ensure human rights are respected along the entire supply chain? How can we mobilise more private capital into energy transitions, also in developing markets? How can we ensure that the urgent buildout of clean energy infrastructure is accomplished in partnership with local communities and without tarnishing relevant ecosystems? And how does all this contribute to creating value for investors and delivering attractive risk-adjusted returns?

These challenges increasingly test managers' abilities in areas beyond their traditional investment expertise – abilities that are based on experience and intricate sector knowledge. With our exclusive focus on energy transition infrastructure, and our 13-year track record in the sector, we feel very well-positioned to tackle these challenges.

Accordingly, we expect of ourselves to be leaders in our sector's efforts to deliver credible positive impact, avoid negative impacts, and report on those efforts to our stakeholders in a transparent manner. Fortifying a mindset that considers ESG factors at every turn has been a key focus for us over the last year, and it has been a pleasure to see these efforts reflected so well in the daily conduct of our entire team. We will continue to drive our efforts in those regards forward, for the benefit of all our stakeholders, and in line with our purpose: to realise a sustainable future, today.

Best regards,

Marco van Daele
Co-CEO & CIO

Marius Dorfmeister
Co-CEO & Global Head of Clients

SUSI AT A GLANCE

We invest institutional capital across the energy transition spectrum to generate attractive risk-adjusted returns for our clients and their beneficiaries while contributing to global climate neutrality.

Having focussed exclusively on energy transition infrastructure investments since our inception in 2009, we have the vast experience and track record required to navigate this dynamic and ever-growing sector.

~60
employees in CH & SGP

1.9bn
€ investor commitments

140+
transactions completed

1.5bn
€ invested to date

20+
countries invested in

3.4m
tCO_2 avoided to date

22.2m
tCO_2 avoided over technology lifetime

4
vehicles managed under SFDR 9

Realising a sustainable future, today.

PERFORMANCE

SUSTAINABILITY

PARTNERSHIP

INNOVATION

In our business conduct, we are guided by four shared core values - performance, sustainability, partnership and innovation - and clear behavioural rules and guidelines outlined in more detail in our Code of Ethics and Sustainable Conduct.

Investing across the energy transition spectrum.

3 THEMES

Producing clean energy

Increasing energy efficiency

Enabling clean energy use

3 STRATEGIES

OECD Infrastructure Equity

OECD Infrastructure Credit

Southeast Asia Infrastructure Equity

→ All figures as of 31 December 2022 unless stated otherwise

OUR STAKEHOLDERS

To ensure SUSI Partners is a valuable and viable company for the long term, we consider the interests of all relevant stakeholders. We believe that only by adopting a collaborative mindset, and by actively looking to build mutually beneficial partnerships with those who affect us and whom we affect, can we realise our vision for the company.

Employees

As a specialised investment manager, our team is our most important asset and recruiting, retaining, and developing team members is key to our success. Achieving our goals hinges on our ability to attract talent, to optimise our recruiting process to build an engaged and diverse team, and to ensure that our people remain healthy, motivated, and eager to contribute their ideas for the long term.

Investors and beneficiaries

We manage investments on behalf of institutional investors such as pension funds, foundations, insurance companies, and development banks. Almost 60% of total commitments has been provided by pension funds mandated to invest the savings of their beneficiaries – current and future pensioneers – and thereby secure a respectable pension for thousands of employees. In alignment with the obligations of these investors, we target long-term investments with visible returns rather than risky, short-term profits.

Business partners

Partnership is one of our core values. We select our investment partners diligently to establish long-lasting, mutually beneficial relationships. Our partners are talented and ambitious, and share our vision of a clean, secure, and affordable energy system that benefits all parts of society. We apply the same principles to all companies we work with, and our sustainability preferences represent a decisive part in the selection process.

Communities

We work in collaboration with the communities we operate in, and especially those in whose vicinity we develop, construct, and operate our assets. Acknowledging that infrastructure assets can be invasive, and that there are no sound investments without the cooperation of local communities, we actively work with them to mitigate adverse effects and maximise the benefits of our assets to their communities.

Regulators

Headquartered in Switzerland, we are licensed and supervised by the Swiss Financial Market Authority (FINMA), and our Asian subsidiary holds a capital markets license by the Monetary Authority of Singapore (MAS). All the funds we manage are located in Luxemburg, and we operate under the EU Alternative Investment Fund Management Directive (AIFMD). We adhere to all regulations and ethical standards we subject ourselves to, always mindful of our fiduciary duty towards our clients.

Shareholders

We are a privately owned company whose shareholders are aligned with our purpose and mission to drive forward the urgent transition of energy systems worldwide. They are committed to the development of our firm and believe in the mid- to long-term vision outlined by our management. Over 70% of shares are in the hands of shareholders who have been invested in our firm for more than 10 years. A significant and growing share is held and has been designated for employees as part of our share-based Employee Alignment Plan.

OUR SUSTAINABILITY JOURNEY

2009

Signatory of **UN Principles for Responsible Investment**

Member of **Swiss Sustainable Finance** & **GIIN**

CO_2 savings quantification methodology with third party

Sustainable Investing Policy approved by Board of Directors

Proprietary **sustainable investing framework**

Regular **sustainable investing trainings** implemented

Opinion paper on greenhouse gas (GHG) emissions reporting

Responsible Procurement Policy implemented

Formulation of firm-wide **Sustainability Strategy**

Methodology update for the reporting of caused and potential avoided GHG emissions

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2023

PRI Principles for Responsible Investment

DIRECT INVESTMENT / INFRASTRUCTURE*

★ ★ ★ ★ ★

(5/5)

AFFILIATIONS

Global Impact Investing Network

Swiss Sustainable Finance

*PRI rating for year 2021

SUSTAINABILITY STRATEGY & OVERSIGHT

At SUSI Partners, which stands for **Sus**tainable **I**nvestment Partners, we have been committed to sustainability from the very beginning. Our firm-wide sustainability strategy guides the implementation of this commitment. Built around ESG-related topics that are most material to SUSI Partners and our stakeholders, it consolidates our existing efforts around sustainability practices and outlines the way forward.

Over the course of 2022, we conducted several workshops and subsequently collated inputs from every department to capture as broad a field of action as possible. We updated our strategy to address both our corporate operations as well as our investments, and included overall strategic objectives, specific measurable targets, and a comprehensive action plan that allocates responsibilities within the firm.

Our sustainability strategy focusses on three pillars: performance, impact, and engagement.

PERFORMANCE

Enhance the risk-return profile of our investments

IMPACT

Deliver and demonstrate intentional and positive outcomes

ENGAGEMENT

Be a thought leader on sustainability

Performance

As an investment manager, our fiduciary duty is paramount. Considering ESG risks and value creation opportunities is an essential part of delivering attractive risk-adjusted returns and neglecting relevant factors would in our view amount to a breach of that duty.

To enhance the performance of our investments, we therefore define, assess, and monitor relevant ESG factors and implement tools and processes that help us address such aspects. Making these tools a natural part of the investment process requires continuous training and oversight. We are convinced that our efforts in this area are contributing significantly to the quality and sustainability of our investments.

Going forward, we will further document the application of our ESG frameworks to enable internal analyses and more detailed reporting to clients and regulators. We will also continue to work on improving the data quality and increasing and measuring the effectiveness of our engagement efforts with our portfolio companies.

Impact

Our strategies' primary impact is on climate change mitigation by reducing greenhouse gas emissions. A methodology to calculate and report on that impact has long been in place. Such methodologies, however, require regular updates as we expand our investment remit. In 2022, we thus conducted a thorough review of our greenhouse gas calculation methodology together with a specialised third party, focussing on capturing all material emissions caused across scopes 1,2, and 3 of our portfolio companies during construction and operation of underlying assets.

Data availability is the precondition for an accurate emissions and broader impact reporting. We put a strong focus on continuously improving our portfolio and partner companies' capability in gathering this data and ensuring the quality of the data provided.

Accounting for caused emissions across all three emission scopes puts a strong focus on supply chain management. Having the required policies in place and being able to provide credible reporting on a variety of ESG-related topics will be a key differentiator for our suppliers. That concerns not only emissions reporting but also equally important aspects such as human and labour rights, health and safety of workers, and community engagement. We will work with our portfolio companies and investment partners to continuously improve on supply chain management, all to minimise adverse impacts of our investments.

Engagement and organisation

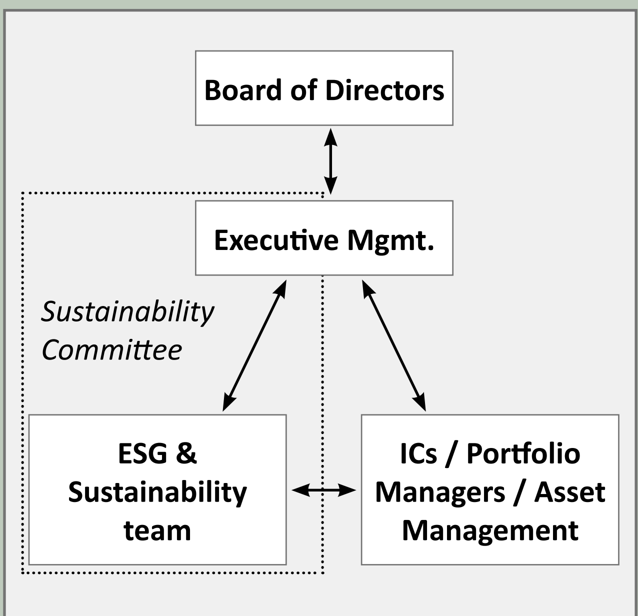
Sustainable investing is ever evolving and staying ahead of the curve requires continuous interaction with stakeholders. We systematically gather intelligence from our stakeholder, especially our clients, to make sure we can react effectively to market trends and regulatory developments. Based on these inputs, we then decide what topics require further attention and can address them through relevant communication channels.

Equally important as gathering inputs from our clients is demonstrating the intricacies of sustainable investing as they pertain to our sector. Our approach to ESG integration is discussed in meetings, company events, and roundtables. Accordingly, sustainability was a focus topic at our annual SUSI Summit and will remain a fixture in the program going forward.

Sustainability session at our 2022 SUSI Summit*

We also collaborate closely with the management of our portfolio companies and investment partners and where needed, incorporate our ESG policies into their business practices. Our investment and asset management professionals are active members on the board of portfolio companies and ensure that our high sustainability standards are maintained.

OUR SUSTAINABILITY GOVERNANCE STRUCTURE



Our **Executive Management** defines the sustainability-related strategy, objectives and targets and is responsible for the implementation and consequent application of our sustainability strategy. Together with our ESG & Sustainability team, it forms our **Sustainability Committee**, in which the Executive Management is advised by dedicated ESG and sustainability professionals.

The **ESG & Sustainability team** proposes initiatives and methodologies that help improve our approach to sustainable investing and corporate sustainability and works closely with the investment teams and portfolio and partner companies to implement and oversee the application of initiatives and tools.

Investment Committees (ICs), Portfolio Managers, and our Asset Management ensure that standard processes and best-practice guidelines are followed in line with our mandates across all investments.

The strategy and its implementation are actively supervised by our **Board of Directors**, which discusses sustainability matters during its regular meetings.

*Image source: SUSI Partners

INCREASING TRANSPARENCY & COMPARABILITY IN THE MARKET

The investment landscape has been changing rapidly over the last few years, especially with respect to the sustainability and the impact of investments on global development goals. While market transparency and comparability are still works in progress, asset owners are catching up fast and are now digging much deeper when selecting managers who claim to provide access to “sustainable investments”. Since engagement is a pillar of our Sustainability Strategy, we communicate transparently with investors, providing guidance where necessary and explaining our approach to sustainable investing in as much detail as possible.

“Impact investing” and “ESG integration”

A global pandemic that shines a spotlight on social inequity coincides with increased public awareness of the climate emergency. Against this backdrop, investors are increasingly looking to invest in financial products that aim to do well and do good at the same time. By now, it is clear to most that the private markets industry has a special potential – and hence the obligation and fiduciary duty – to not only incorporate ESG considerations into investment processes, but also to actively work with portfolio companies on ESG issues post-acquisition. However, inconsistent terminology and a myriad of sustainability frameworks have resulted in a proliferation of fund launches labelled as ”ESG-friendly” or ”impact”, and potentially misleading marketing materials filled with buzzwords and empty claims.

We distinguish clearly between ESG integration and impact investing, two terms that are often and erroneously used interchangeably. ESG integration is concerned with the due diligence and improvement of the practices and operations of a company or investment. Impact investing, meanwhile, focuses on the company’s products and services and refers to investments and companies whose business model contributes positively to society and the environment, typically assessed against the UN Sustainability Development Goals (UN SDGs).

With regards to impact, all of our investments, regardless of the mandate through which they are conducted, contribute to global climate change mitigation (SDG 13 – Climate Action) by leading to a quantifiable reduction in greenhouse gas emissions compared to the status quo. They furthermore support SDG 7, providing clean and affordable energy to households, and SDG 9, which includes the buildout of essential infrastructure for the benefit of societies.

Marius Dormeister
Co-CEO & Global Head of Clients

“The incoming regulations – if formulated clearly - are welcome as they will make it easier for asset owners to identify managers that not only talk about ESG and sustainability but actually do the work. But asset owners will nevertheless need to continuously develop their capabilities to dissect and evaluate ESG practices during due diligence to make fully informed investment decisions.”

Furthermore, we ensure that the evaluation of potential ESG-related risks, or adverse impacts, are fully embedded into our investment and asset management processes. This integration of ESG considerations is a key contributor not only to the environmental and social sustainability of our investments, but crucially also to their financial sustainability, which makes it an indispensable part of sound investment practices.

Staying ahead of regulatory developments

Policymakers are significantly stepping up efforts to curtail global warming and the European Green Deal, launched with the ambition to make the EU economy sustainable and climate neutral by 2050, is now well advanced. The EU Action Plan on Sustainable Finance, which recognizes the crucial role the investment management industry plays in this transition, is incrementally coming into force, with a raft of new regulation designed to re-orientate capital flows towards sustainable investments, ensure sustainability is incorporated into risk management, and to foster transparency and long-termism across all asset classes.

Part of the EU's plan is the EU Sustainable Finance Disclosure Regulation (SFDR), which came into effect in March 2021. SFDR aims to ensure a systematic and transparent disclosure approach to sustainability, preventing greenwashing, and ensuring comparability. It requires investment managers to disclose how sustainability risks are integrated into investment decisions, and to outline the impact of sustainability risks on returns. Financial market participants are expected to publish risk policies on their websites, disclose how sustainability considerations are incorporated into remuneration, and establish a mechanism to disclose adverse sustainability impacts in pre-contractual documents and through periodic disclosures.

EU Sustainable Finance Disclosure Regulation

According to SFDR, financial products can be classified as Article 6, 8, or 9:

- → **Article 6:** labelled as non-sustainable, applies to funds that do not integrate any kind of sustainability into the investment process.
- → **Article 8:** applies to funds that promote environmental or social characteristics and requires detailed information on how those characteristics will be met.
- → **Article 9:** applies to funds where either environmental or social sustainable investment is the stated objective. The fund must simultaneously do no significant harm to any other ESG objectives and follow good governance practices, in particular, with respect to sound management structures, employee relations, staff remuneration and tax compliance. Detailed information is required on how the objectives will be met, including methodologies to measure and monitor the sustainable investment.

At SUSI Partners, we have long been committed to promoting ESG standards across our industry, and all our active energy transition mandates are meeting the requirements of SFDR Article 9.

We ensure that 100% of our assets under management are covered by our Sustainable Investing Policy and have been working closely with our portfolio companies and assets to collate non-financial performance data as a basis for driving ESG improvements. With European regulation evolving continuously, we are further improving data collection across our investments in order to comply with industry-wide disclosure obligations.

TRANSPARENT REPORTING

In addition to ESG-relevant occurrences being integrated into our fund reports, we regularly report on ESG performance through the following channels:

- → **Annual Sustainability Report**, incl. reporting on climate risks based on the recommendations made by the Task Force on Climate-Related Financial Disclosures (TCFD) - see pages 21-22
- → Reporting for **UN-supported Principles for Responsible Investment (PRI)**
- → Disclosures under **EU Sustainable Finance Disclosure Regulation**

DRIVING FORWARD THE ENERGY TRANSITION

Since SUSI Partners was founded in 2009, the investable scope of the energy transition, and the technologies and business models it encompasses, has widened substantially. From very early on, we emphasised the need for a holistic transition that does not solely address energy supply (i.e., renewable energy), but simultaneously and with equal urgency improves the energy efficiency of existing infrastructure and provides energy storage solutions that can counteract the intermittency of renewable energy, as well as solutions for commercial, industrial, and residential end customers to access and use clean energy.

Innovation – commercial, legal, and technological – will continue to broaden the spectrum of investment opportunities that lie within our mandates, and we monitor emerging themes such as green hydrogen or carbon capture and storage closely. However, as an infrastructure investment manager, our primary focus is on devising innovative financing solutions to direct more capital towards the technologies that are proven, commercially viable and scalable today. There is still enormous untapped potential to roll out existing, highly effective energy transition solutions.

While renewable energy generation and battery storage remain an important part of our portfolios, we regard 2022 the year in which customer-centred solutions really took hold and finally received the attention they warrant. This includes energy efficiency improvements but also integrated customer-facing solutions such as behind-the-meter generation and storage systems for end customers of all sizes. Increasingly, these are being delivered as long-term contracted "energy-as-a-service" offerings, which further scales an exciting business model that SUSI has been investing in for years.

Customer-centred solutions, in particular, illustrate the positive impacts beyond climate change mitigation that investments in the transition of energy systems have. For example, an energy efficiency retrofit for an industrial company saves energy and costs, especially in times of elevated

OUR INVESTMENTS' CONTRIBUTION TOWARDS CLIMATE CHANGE MITIGATION*

PRODUCING CLEAN ENERGY

2.1 million tonnes of PAEs as of 31 December 2022 — 5.7m

Onshore wind	**93%**
Solar photovoltaic	**7%**

17.4 million tonnes of PAEs over technology lifetime — 46.7m

INCREASING ENERGY EFFICIENCY

0.8 million tonnes of PAEs as of 31 December 2022 — 2.2m

LED lighting	**52%**
PV-as-a-Service	**15%**
Combined heat and power	**14%**
Smart metering	**7%**
Other**	**12%**

3.07 million tonnes of PAEs over technology lifetime — 8.3m

ENABLING CLEAN ENERGY USE

0.02 million tonnes of PAEs as of 31 December 2022 — 42k

Behind the meter	**98%**
In front of the meter	**2%**

0.16 million tonnes of PAEs over technology lifetime — 432k

Assumes an economy-class return flight Zurich ZRH to London LHR for one traveller (~1,600km) equal to 0.372t CO_2 (per MyClimate.org)

*Unless indicated otherwise, data refers to accumulated figures since inception of SUSI Partners as per 31 December 2022.
**Other technologies include: Industrial retrofits, building retrofits, waste-heat recovery systems

Marco van Daele
Co-CEO & CIO

"By now, the benefits of investing into the energy transition are widely acknowledged. However, unlocking those benefits, and responsibly harnessing the potential of doing so, must be done professionally, with a strong focus on long-term value creation, and in a way that creates both financial and non-financial benefits for all stakeholders."

energy prices. The company becomes more competitive and attractive for its clients, and the benefits are passed on to society, as it creates more jobs, pays more taxes, and reduces pollution and other environmental impacts. This is adding to the fact that large parts of the infrastructure we have in place now will still be operating in 30 years, so decarbonising existing infrastructure is a prerequisite for any credible net zero plans.

Each individual element of the energy transition thus contributes to a larger vision of clean, secure, and affordable energy that not only helps mitigate the catastrophic impacts of climate change, but enables economic growth and prosperity, preserves flourishing ecosystems, and supports the overall health and wellbeing of entire societies. Therefore, the benefits of our investments stretch beyond the core Sustainable Development Goals (SDGs) on which they have a direct impact – SDG 7, Affordable and Clean Energy; SDG 9, Industry, Innovation, and Infrastructure; and SDG 13, Climate Action.

UN SDGs

Direct impact on core SDGs 7,9, and 13

with broader contributions towards a sustainable future

ACTIVELY MANAGED EQUITY ASSETS*

RENEWABLES (WIND & SOLAR PV)

708 MW/MWp operating

96 MW/MWp under construction

1'842 GWh produced in 2022

~300k avg. EU citizens' annual electricity consumption**

BATTERY STORAGE

113 MW/MWp operating

300 MW/MWp under construction

CREDIT INVESTMENTS

ENERGY EFFICIENCY

1'177 GWh avoided consumption in 2022

~191k avg. EU citizens' annual electricity consumption**

*Takes into account all assets that are majority owned by SUSI funds and hence actively managed by our dedicated Asset Management team as of 31 December 2022
**Based on 2021 annual electricity consumption per capita in the EU of 6.16 MWh as per Statista 2023: Link

ESG INTEGRATION

SUSTAINABLE INVESTING

- is additive to and supportive of financial returns and expands value creation potential. Done the right way, it does not contradict or constrain an investment approach, but makes for higher-quality investments.
- develops deeper insights about how financial and non-financial value is created using ESG considerations and related data and assessments.
- considers a broad set of stakeholders and expands the focus beyond a narrow set of indicators to ensure long-term viability and hence financial value creation.

100%
AuM covered by Sustainable Investing Policy

Fundamental to SUSI's sustainable investing approach is the conviction that while our strategies, which are exclusively focused on clean energy infrastructure, may be viewed as inherently sustainable, the diligent manner in which these investments are executed and managed over time is what makes them truly sustainable. In short – we need to get the "how " we invest right as much as the "what" we invest in.

We ensure that environmental and social impacts of investments are taken into account at every point in our process, due diligence to exit, and that ESG management is firmly embedded in our investment principles, strategy, policies and processes.

During due diligence, we use our proprietary ESG tool to flag potential risks and opportunities which are subsequently discussed by our investment committees (IC). The ESG team challenges investment teams on their identification of ESG risks and, where applicable, requests additional due diligence to be conducted. Identified risks must be mitigated adequately for the investment process to proceed. We therefore devise a comprehensive ESG risk mitigation plan with specific goals, the respective actions required, as well as suggestions for best practices.

Post investment, the ESG and asset management teams are responsible for implementing the ESG plan. We use our governance rights to set tailored ESG goals for each portfolio company and monitor the effectiveness of the initiatives we put in place. We ensure good governance through clear structures and rules, aligned incentives, knowledge sharing and policy transfer. An illustrative case of how we integrate ESG considerations into our investment process is shown on pages 15-16.

PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
Internal due diligence	1st IC	External or continued internal due diligence	2nd IC	Signing, closing, asset management
ESG ASSESSMENT				
Identifying material ESG factors	**Present ESG risk profile to IC**	**Assess ability to mitigate ESG risks**	**Conclude ESG risk mitigation action plan**	**Monitor implementation of risk mitigation**

Despite our tools and policies covering an exhaustive set of ESG factors, especially during the initial due diligence process, our framework allows for sufficient flexibility to account for different priorities and levels of engagement based on the deal structure, governance and resulting level of influence, the maturity of the portfolio company, and the respective subsector. Our approach is thus tailored while repeatable and evidence-based. To keep our frameworks up to date, we monitor emerging ESG trends that are material to our investments closely.

MOST FREQUENTLY FLAGGED ESG TOPICS

Responsible procurement

Raising standards and increasing transparency across the supply chain is central to our ESG framework. We have implemented a dedicated responsible procurement policy, which defines standards in relation to the traceability of procured goods and the human rights and ethical standards suppliers uphold. We require all our portfolio companies to acknowledge and implement this policy, as it significantly facilitates the management of subsequent suppliers along the supply chain.

ESG questionnaires are part of all procurement processes, including when procuring solar panels, battery cells and other goods which have been subject to serious human right allegations. We have also conducted a comprehensive supply chain mapping, procure external ESG data on suppliers and subcontractors, and commission third-party ESG audits on suppliers where advisable. We are currently establishing a comprehensive supplier analysis and ranking, with the view to mitigate potential risks and prevent potential adverse impacts on the value of our investments.

Governance

We believe that strong and transparent policies, processes, and governance are required to successfully manage ESG risks and opportunities. Good governance, both between us and our investments and at the level of each investment, allows us to engage on ESG topics in a structured and transparent manner. Governance performance is a key pillar of our ESG assessment, covering sustainability management (both policies and practices), whistleblowing systems, and operational readiness.

Health and safety

Infrastructure investments often require intensive construction and maintenance works which come with inherent physical safety risks. Worker safety is therefore a top priority for us, and we proactively engage with portfolio and partner companies to ensure the highest health, safety and wellbeing standards and policies are in place. The monitoring of specific health and safety KPIs allows us to flag potential shortcomings and undesirable patterns and to proactively engage with the relevant parties to address them.

Environment and climate

All our investments directly contribute towards climate change mitigation by bringing about measurable GHG emission reductions. We measure these potential avoided emissions (PAE) using a proprietary methodology developed in close collaboration with a specialist adviser. Those investment-specific PAEs are aggregated on a portfolio level by fund and verified each year by an independent external party. We then report on the avoided emissions achieved on behalf of our investors on an annual basis in the respective fund reports.

While our clean energy infrastructure investments generally have relatively low GHG emission footprints and GHG intensities, they still generate emissions along their value chain, predominantly during construction. We have therefore expanded the scope of our GHG methodologies and tools and are rolling them out across our portfolio companies. We expect to start reporting on those emissions as part of our annual sustainability report starting next year.

Raphaela Schmid
Head of ESG & Sustainability

“As we increasingly investigate companies and their business practices across the supply chain, social considerations tend to gain in importance, especially with regards to human rights, the health and safety of workers, and labour conditions in general. These factors not only carry substantial reputational risks if unattended to, but they can also have a tangible impact on the financial value and performance of assets.”

CASE STUDY: DISTRIBUTED WIND & SOLAR IN CHILE

In the fall of 2021, we formed a partnership with Santiago de Chile-based BIWO Renewables to build a 175 MW portfolio of distributed solar PV and onshore wind projects in Chile (Project Albatross). Construction activities began in 2022 and are expected to be finalised by the end of 2024.

As an integral part of our investment process, our screening/due diligence started with an ESG materiality assessment, during which our investment team analysed a vast array of potential ESG risks and opportunities and assigned risk ratings consisting of likelihood and severity of a potential impact to each aspect considered. The output of this analysis is a comprehensive ESG materiality matrix which we present to our IC. For Project Albatross, a selection of the topics flagged during initial screening, and respective mitigation measures, are listed in the table on page 16.

We then mobilised external and internal resources to generate more detailed assessments on the flagged topics and to formulate adequate mitigation measures, which are also supported by specialised external advisors.

Construction of solar PV plant in Chile*

Based on the resulting action plan, we collect raw data of all underlying projects' greenhouse gas emissions over their respective life cycles, which allows us to calculate the expected direct and indirect emissions (Scope 1, 2, and 3) from the projects and to establish potential reduction initiatives. The assessment was conducted by a specialist firm in the field which will continue to monitor emissions during construction and operation of the projects. We also enlisted the help of a global specialist to vet our suppliers, especially for solar PV modules and equipment, to ensure they have formulated explicit targets to de-risk their supply chains and to identify potential gaps compared to EU standards with regards to human rights, labour standards and working conditions, among others.

We also put a special focus on assessing the needs and concerns of the local communities. We enlist local labour and prioritise local suppliers for accommodation, catering, and other basic goods wherever possible. We are also committed to more than compensate for any temporal loss of agricultural land through new irrigation projects in the vicinity of the project sites. Further initiatives are focused on improving local infrastructure such as roads, schools, and parks, and developing a circular economy by collecting construction waste and repurposing it to meet local needs. For example, the wooden pallets used for the supply of construction materials are subsequently delivered to local workshops where they can be used, e.g. to build furniture.

All of the above is not possible without maintaining a close relationship with our local partners and having adequate governance principles in place. ESG monitoring and reporting of defined KPIs form an integral part of our regular engagement and management reports. During initial onboarding and the construction phase, we engage in update calls on a weekly basis and KPIs such as accident rates are reported to our dedicated asset management team on a monthly basis. This approach helps us to create a database of good practices, enabling us to share ideas and knowledge between stakeholders to raise ESG standards across portfolio companies.

Project Albatross contributes directly to UN SDGs

*Image source: BIWO Renovables

ESG FACTOR FLAGGED	RISK IDENTIFIED	MITIGATION ACTION PLAN
GHG emissions caused during sourcing, construction, and operation	Limited transparency especially further down the supply chain (Scope 3)	▪ Implementation of GHG emission monitoring system (Scope 1, 2 and 3) together with external dedicated advisor on site ▪ Target of reducing GHG emissions during manufacturing and construction phase through an informed procurement process and adequate planning, monitoring and innovation
Supplier Code of Conduct: ▪ Human rights ▪ Labour standards & working conditions ▪ Health and safety	Limited adherence to SUSI's Responsible Procurement Policy, specifically for solar manufacturers and equipment	▪ Implementation of SUSI's Responsible Procurement Policy ▪ Validation of compliance with responsible procurement policy and assessment of raw material traceability supported by external experts ▪ Identification of the counterparties' (suppliers and contractors) targets and objectives regarding ESG aspects and any material gap to EU standards with a specific focus on identified risks ▪ Consideration of ESG factors in procurement tender processes
Health & safety (H&S) on project sites	H&S risks for employees working on project sites during construction and operation	▪ Inclusion of principal contractor H&S governance and responsibilities in project contracts ▪ Implementation of H&S program during construction and operation incl. H&S governance and controls and supervision ▪ Monthly monitoring of H&S KPIs
Community engagement	Limited acceptance of projects by the local communities	Social accountability: investing in long-term collaboration with local stakeholders by: ▪ engaging with local communities during the development phase ▪ developing compensation projects for the temporary use of land ▪ developing circular economy initiatives with local communities

Scott Mackenzie

Head of Asset Management

"We maintain close working relationships and wide open channels of communication with the management and key personnel of our portfolio companies. By fusing our longstanding sector expertise with their intricate knowledge of the local specifics, we are able to identify and mitigate potential risks early, are in tune with the needs of local communities and ecosystems, and can grasp opportunities to provide tangible benefits to a wider set of stakeholders."

OUR INVESTMENT PLATFORMS

The energy transition, a niche investment proposition when SUSI Partners was founded in 2009, has become one of the biggest investment opportunities of our time with immense funding requirements across the capital stack. Today, we are investing through three integrated energy transition strategies, each catering to a different risk-return profile – OECD infrastructure equity, OECD infrastructure credit, and Southeast Asia developing market investments. In the following, we recapitulate the respective strategies' year 2022 with an emphasis on ESG integration.

OECD INFRASTRUCTURE EQUITY

Having concluded the investment phases of our previous, sector-focused strategies, and with the respective portfolios now overseen by our Asset Management team, our Equity Investments team's focus in 2022 was firmly on our holistic energy transition mandate. Supported by the evergreen nature of the mandate, the early focus of the investment period has been on partnering with or building development platforms in geographical markets and industry segments deemed attractive to secure proprietary project deal flow.

Capitalising on this exclusive project deal flow, we deployed close to EUR 250m into, among others, renewables portfolios in Poland and Chile, as well as our investment in Genera, a fast-growing Italian energy service provider. In addition, our investment in Starling Energy, an Australian provider of rooftop solar and battery systems for residential end customers, is gaining traction with the platform having installed over 1,000 systems to date and recently creating Western Australia's first live virtual power plant.

We continued to maintain a healthy deal pipeline in line with our growing ambitions for the strategy, and formed a partnership with SMT Energy, a U.S. provider of clean energy solutions, which resulted in the acquisition of an initial 100 MW portfolio of construction-ready battery storage assets in Texas. With this latest transaction, investments now cover renewable energy production, energy efficiency, energy storage and integrated customer energy solutions thus representing a well-diversified energy transition portfolio in line with our mandate.

Construction of a battery storage facility in South Texas*

*Image source: SMT Energy

Diligent ESG risk assessments with our bespoke ESG framework are now firmly embedded in the investment process from deal screening to asset management post-transaction. With an increasing number of projects starting construction, the risk mitigation mechanisms are taking full effect. Risks and value creation opportunities that were flagged during the investment process, be they risks related to the supply chain, health and safety of construction workers, or adverse effects on the local communities, are being tackled and mitigated in close cooperation with our portfolio companies.

In addition, we proactively use our majority governance rights with portfolio companies to manage ESG risks and potential value creation opportunities. As the portfolio grows, knowledge-sharing and oversight through board representation – while still pro-actively addressing specific issues on asset level if they do arise – are becoming an increasingly important part of our asset management duties.

Richard Braakenburg
Head of Equity Investments

"Sustainable investing starts with the mandate. With our OECD equity strategy, we are not in the business of buying assets and handing them over to the next owner after a more or less predefined period of time. Instead, we focus on the buildout of asset investment platforms together with developers and energy service companies to facilitate sustainable, long-term growth."

OECD INFRASTRUCTURE CREDIT

For our credit investments team, 2022 was in many ways exceptional, with the war in Ukraine throwing energy markets into turmoil and putting energy security not only on top of the geostrategic agenda, but also making it a priority for industrial, commercial, and residential energy consumers. For businesses, especially energy-intensive ones, the rise in energy prices affected their earnings such that energy cost savings were in many cases made a top priority. Since European energy markets were particularly affected, demand for customer-centred energy efficiency and on-site generation solutions reached unprecedented levels and saw our energy service partner companies flooded with orders.

As an indirect result, our credit platform achieved record-high deployment numbers in 2022 and by now has invested over EUR 600 million* in energy efficiency and broader energy transition solutions since we launched our first energy efficiency-focussed credit vehicle in 2014. With the second energy efficiency vehicle being fully invested well ahead of schedule, a third vehicle was launched at the end of 2022, which by now is well underway and investing.

The credit team also further formalised processes relating to ESG integration. Investments are made under framework agreements with energy service companies and technology providers, which in turn source and implement projects with end customers. Since we do not control nor have governance rights over credit counterparties, we are applying a two-fold approach to ensure our standards are met in terms of environmental protection, social compatibility, and governance practices.


LED street lighting retrofit in Italian municipality**

*as of 31 December 2022
**Image source: SUSI Partners

First, contractual agreements with our partner companies include explicit requirements pertaining to ESG risks. These include exclusions regarding the activities of end clients (e.g. no ammunition or controversial weapons manufacturers, coal-based power generation), requiring policies dealing with anti-bribery and labour rights, among others, and ensuring responsible procurement of construction materials and other required products.

Second, in close collaboration with our partner companies, we focus on a systematic knowledge transfer by sharing policies and providing regular updates on changes in the regulatory environment and market practices. Our partners are faced with increasing pressures from regulators, investors, and most importantly their customers, and are therefore very receptive to guidance and eager to implement processes that improve their competitiveness and secure their long-term success.

Alexander Hunzinger
Head of Credit Investments

"As an investment manager, our job is to devise innovative financing solutions and enable capital to flow to sectors where it is most needed. With our unique structured credit solutions, we address granular markets that are notoriously underserved. Especially in times of elevated energy prices and climate targets, our solutions, which reduce energy consumption and enable consumers to produce clean energy on their own premises, are more important than ever."

Customised energy efficiency retrofit of malt drying system in Poland, including combined heat and power plant and heat pump*

On-site solar photovoltaic plant for large automobile manufacturer in Spain**

* Image source: DB Energy S.A.
““ Image source: Prosolia Internacional S. L.

SOUTHEAST ASIA DEVELOPING MARKET INFRASTRUCTURE

Southeast Asia continues to play an important role in global decarbonisation efforts given the strong economic growth in the region as it increasingly becomes a manufacturing hub for domestic and multinational corporations.

In 2022, we entered into a partnership with Singapore-based Entoria Energy, a company that specialises in rooftop solar photovoltaic (PV) solutions, to offer industrial and commercial companies an attractive opportunity to generate clean energy on their premises.

Rooftop solar PV solutions are generally regarded as "low risk" from an ESG perspective. However, given the nascence of the emerging markets in Southeast Asia, we have to closely manage and monitor risks related to labour contracting as well as health and safety practices. These factors are more relevant for widely distributed rooftop solar projects, requiring oversight across a multitude of locations and sites. Standardising Entoria's ESG risk management and monitoring framework as part of their project development process has been key to successful ESG integration for that partnership.

In Southeast Asia, we develop tailored environmental and social management systems (ESMS) for all portfolio companies. Only by ensuring full compliance with local regulation and international best-practice standards can our assets produce sustainable returns, including upon exit.

In November 2022, we were approved by the UN Environment Program (UNEP) for co-financing from the UNEP Seed Capital Assistance Facility (SCAF) to help defray costs associated with project pipeline development, which includes bridging the ESG capacity needs of our investees. We have since utilised SCAF funds to help our portfolio companies develop their own environmental and social management system (ESMS) and standardise project screening checklists, thereby streamlining project reviews, and increasing resources for efficient capital deployment.

Rooftop solar PV installation on industrial building in Thailand*

Biogas plant in Thailand**

Wymen Chan
Head Asia

"There remains a substantial investment gap for clean energy infrastructure in Southeast Asia. The direct impact of an investment in emerging markets like these is also substantially larger than in developed markets, where higher saturation levels are common. Our strategy proves that it is not just an impactful but a highly attractive market to invest in, not only for international development capital but for all types of investors."

*Image source: Entoria Energy
** Image source: InvestEnergy

CLIMATE RISKS & TCFD

While the low-carbon transition is creating investment opportunities for our strategies focused exclusively on clean energy infrastructure, our investments can also be affected by climate-related risks.

The Task Force on Climate-Related Financial Disclosures (TCFD) defines two risk categories: physical risks and transition risks. Physical risks describe potential physical impacts (flooding, storms, drought, sea level rise, etc.) and can be acute or chronic. Transition risks in turn refer to risks caused by the transition to a low-carbon economy.

Our investments are rarely exposed to transition risks, but we do account for potential risks in this category where applicable. However, given the focus of our investment strategies, we prioritise the assessment of physical risks to our investments.

To assess physical risks, we implemented a pre-defined matrix to evaluate our portfolios. The identification and assessment of climate-related risks takes place both pre-investment and post-investment and covers the entire technical lifetime of the individual asset. We incorporate data from technical due diligence, and environmental impact assessments and subsequently produce an aggregated risk measure of all investments analysed. We apply this analysis across our entire equity investment platform. The encouraging results of our climate risk assessment are displayed in the heat map on the right.

With regards to TCFD, the most relevant disclosures for our investors are portfolio GHG emissions, which will be included in our fund-level ESG reports going forward. We are also in the process of developing interim reduction targets, which will be published in our future annual reports.

Climate change is a complex issue that requires a large group of stakeholders to act in tandem. We therefore actively collaborate with peers and relevant industry initiatives and aim to provide TCFD-aligned reporting to our stakeholders. We have also published an opinion paper on GHG reporting as it relates to our specific sector and made the pathway to net zero a key topic during our 2022 SUSI Summit with our investors and business partners. The table on page 22 will provide relevant disclosures of SUSI Partners' climate strategy and climate-related risk management in line with the TCFD guidelines.

CLIMATE-RELATED PHYSICAL RISK ASSESSMENT

PHYSICAL RISKS	**0% High risk**
	2% Medium risk
	98% Low risk

The matrix above shows the aggregated output of our physical climate risk analysis. Low risk has been allocated to assets where either no specific physical risk has been identified during due diligence or where the identified risk has been mitigated through structural changes as described below. Medium risk has been allocated to assets where there is a residual physical risk that can arise due to climate change in the future which is currently being mitigated through for example increased insurance coverage but there is a residual probability over the medium to long term horizon of a risk to materialise. High risk would represent a currently unmitigated risk with a very high severity or probability of occurring.

The overall low levels of risk can mainly be explained by the fact that we do incorporate potential climate-related impacts into the structure and design of our assets. Where necessary, we alter or adjust the design and/or implement adequate measures such as additional drainage in the construction phase, to mitigate potential physical risks early on.

GREENHOUSE GAS REPORTING ON THE PATH TO NET ZERO

A SUSI Partners opinion paper

We formed and formulated an in-house opinion on the current state of greenhouse gas reporting. The paper can be requested **HERE**.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES: SUMMARY

GOVERNANCE Management of climate risk is set and overseen at the highest levels of our firm, and firmly embedded in our governance structures.	
Structures to ensure climate risk and opportunities are integrated into our decision-making and performance	▪ Our Board of Directors and Executive Management are ultimately responsible for SUSI Partners' strategy which includes climate-related risk and opportunities. ▪ Oversight is led by the Sustainability Committee, which includes our Co-CEOs as well as dedicated sustainability professionals with investment and consulting expertise. This group is leading our efforts to embrace the principles of sustainability which includes our climate strategy, continually reviewing and enhancing our frameworks and contributing to industry discourse and thought leadership on these matters. ▪ A formal charter for our governance structure is reflected in our overarching sustainability strategy. ▪ The identification, measurement and management of climate-related risks and opportunities is included in our ESG approach and budget. Additionally, our investment committees also provide a formal opinion on investment opportunities with a potentially significant climate-related risk exposure. Our ESG team together with the respective investment team are responsible for ensuring the implementation of our climate risk management procedures. ▪ In the pre-investment due diligence phase, our ESG screening tool needs to be applied to identify and flag potential climate-related risks. The ESG team challenges investment teams on their identification of climate-related risks and consults investment teams on additional due diligence to be performed. Post investment, the ESG and Asset Management teams are responsible for implementing the ESG path. This includes the measurement of climate-related physical and transition risk based on our climate change matrix described above, supporting assets in measuring their GHG footprint with tooling and consultancy support as well as actively engaging with investments on climate resilience. Furthermore, the ESG team ensures that sufficient resources (tooling, consultancy support) for climate-related risk management are available and provides training on climate change to the wider SUSI Partners team. Relevant training is now a mandatory part of the onboarding process for each new employee.
STRATEGY Net zero is our long-term vision and we are integrating climate opportunities into our business, building on our existing strengths and capabilities.	
Our long-term vision and progressing our climate strategy	▪ As a long-term investor managing multiple clean energy infrastructure funds, we recognize climate change both as a significant risk but also as a significant opportunity. Climate-related risks potentially impact us at different stages of our business. In the short and medium term, we are exposed to potential physical and transition risk during the ownership of our investments. ▪ 100% of our AuM is invested in clean energy infrastructure to support the global energy transition and we will continue to invest in this sector.
Active ownership to engage our value chain on net zero progress	▪ A central pillar of our strategy is to engage with each asset to set tailored decarbonisation plans that feed into our overall net zero goal. ▪ We already engage with our investee companies on areas such as climate resilience in our annual ESG path questionnaire and, as of last year, measure GHG emissions footprints. As explained in Metrics & Targets below, we recognise that the quality of our GHG data still needs to be improved. ▪ In the months and years ahead, we aim to support investee companies in developing and delivering credible decarbonisation plans.
Building climate into our own corporate culture	▪ The final piece of our strategy involves 'walking our talk' as an organisation. Since 2020, we have been measuring our own GHG emissions, taking steps to reduce emissions where possible and offsetting the remainder.
RISK MANAGEMENT We consider climate change to be a material risk, including both physical risks such as extreme weather events and transition risks such as increased volatility, regulatory risk, increased cost of capital and stranded asset risk.	
Processes in place to consider climate risk	▪ Climate considerations are incorporated into our ESG framework. ▪ In 2022, all the assets within our equity platform were subject to our climate change analysis, performing a high-level screening of the main physical and transition risks to which our assets are exposed to as described above. ▪ Our climate change heat map showed that 2% of assets analysed were exposed to low levels of physical risk, and a small minority faced low transition risks.
Engaging with stake-holders on climate	▪ We discuss climate-related risk as part of our stakeholder engagement with employees, investors and investee companies.
METRICS AND TARGETS We track and report on opportunities and risks associated with climate change.	
Accurately quantify-ing the GHG foot-print of our portfolio and short-term net-zero targets	▪ In 2022, our first investee companies started to use our greenhouse gas tools we provide to measure their carbon footprint. ▪ We aim to expand and refine this dataset in 2023 and are committed to working with investee companies and the wider sector to measure and reduce Scope 3 emissions across our value chain. ▪ This measurement will become a critical plank in how we measure progress towards becoming a net zero investor.

OUR PEOPLE - THE CENTRE OF OUR SUCCESS

Our team members are our most important assets and recruiting, retaining, and developing them is key to the success of our company. Accordingly, achieving our goals hinges on our ability to attract talent by engaging with budding investment professionals, to optimise our recruiting process to build an engaged and diverse team, and to ensure that our people remain healthy, motivated, and eager to contribute their ideas for the long term.

In our annual employee survey, we anonymously collect feedback on a broad array of factors, and are pleased to see our teams generally satisfied, with high and stable levels of engagement. Coming out of a two-year period of heightened uncertainty amid the Covid pandemic, which had kept retention rates at unusually high levels across the industry, we did however anticipate at the very least a return to normal if not slightly increased movement in 2022. While our retention rate did decrease from previously very high levels, we consider the rate of 86% down from 94% an acceptable fluctuation reflecting the expected post-pandemic effects.

RETENTION & SATISFACTION	
86% retention rate	78% satisfaction rate*
down from 94% in 2021	remained at 2021 levels

Ensuring ESG best practices through each invidual employee

We want to instil a mindset in our employees that considers ESG factors in every decision they take. That is why we invest heavily in developing their ESG knowhow, starting by making sustainability a focus topic during the onboarding process for new joiners. We then conduct function- and country-specific trainings around our ESG roadmap to ensure we are equipping all our people with relevant sustainability skills and knowledge right from the very beginning. Ultimately, ESG performance is a relevant factor in our annual objectives and key results and regular employee evaluations.

Effective alignment of interests is a core feature of good governance. In 2022, we implemented a new share-based employee alignment plan that will align certain employees with the future development of our firm, and thereby align their interests with those of our shareholders. We are convinced that the plan will not only support retention of key personnel but will also foster long-term thinking, proactive engagement, and entrepreneurial action for the benefit of all our stakeholders.

Ensuring ample opportunities for development

Our people are energetic, driven, and eager to learn. Therefore, fostering their personal development is crucial to keep them satisfied and engaged. In addition to our ongoing initiatives such as our internal mentoring programme, regular ESG trainings, and the provision of financial support for external trainings and skill-specific university courses, we offered a variety of learning opportunities in 2022.

PEOPLE DEVELOPMENT
47h per year on average spent on development per employee

We arranged courses focussing on legal training, financial modelling, and transaction execution for our investment professionals. We also improved our company-wide project-management capabilities, and, over the course of several workshops with managers, jointly developed a comprehensive leadership competency framework.

*Satisfaction rate refers to the percentage of statements in the annual employee survey that were responded to with positive agreement / feedback.

Building a diverse, inclusive, and well-balanced organisation

We firmly believe that diverse perspectives and backgrounds, coupled with an inclusive culture, can significantly improve decision-making and support our long-term success. For us, inclusion means having a zero-tolerance policy towards discrimination of any kind, creating an open feedback culture, and enabling everyone to contribute their ideas and be heard.

As for many other peers, gender balance is a specific area of improvement for us. With the valuable support from team members, we outlined specific measures that can make SUSI a more attractive employer to women and increase female representation specifically in senior positions. Given the size of our company and our overriding goal to retain stability, our focus lies on creating conditions that enable and encourage women to progress and advance their careers internally.

We specified measures along three main pillars – hiring, retention, and progression. Some are to be implemented in 2023, and mid-term measures were defined for implementation over the next three years. Necessary budgets were allocated to the advancement of these measures.

Initial measures were already taken in 2022 with a focus on education and increasing awareness. For example, we conducted company-wide and manager-focused trainings on gender-related unconscious biases, how to avoid them, and how to maintain an inclusive work environment in general.

DIVERSITY

15 nationalities

14 languages

22% female staff

7% part-time

AGE DISTRIBUTION

<30 (24%) | **30-39** (43%) | **40-49** (24%) | **>50** (9%)

YEARS AT SUSI

0-2 (33%) | **2-5** (45%) | **>5** (22%)

GENDER BY SENIORITY

	PROFESSIONAL	SENIOR PROFESSIONAL	MANAGEMENT*
Male	73%	76%	100%
Female	27%	24%	0%

* Seniority denominations refer to the following corporate ranks: "Professional" = Analyst + Associate; "Senior Professional" = Vice President + Director; "Management" = Managing Director + Executive Management

Yves Frey
Head of Corporate Operations

"Building a truly sustainable company always starts with its people. At SUSI, we have an intrinsic motivation to realise a sustainable future and share a common vision of clean, reliable, and affordable energy systems across the globe. Regular trainings, especially on ESG-related subjects, are indispensable to stay ahead of the curve in this extremely dynamic sector."

Engaging with aspiring professionals

As part of building a sustainable organisation that can draw on an extended pool of talented, ambitious, and engaged professionals who align with our values, we are regularly engaging with the next generation about to embark on their careers through partnerships with sustainability-focused student organisations at leading Swiss universities. As part of these collaborations, we conduct regular workshops providing insights into our business model and presenting specific case studies to help students get a first-hand impression of their potential future pathways.

A healthy, motivated, and connected team

Last but not least, an important task at hand is creating a company-wide sense of purpose and belonging and ensuring that our people remain healthy and can draw energy from a sustainable and stimulating workload. We therefore provide a high degree of flexibility regarding working locations and times, while providing opportunities and requirements for in-person interaction to ensure continued engagement.

When hiring, we look for people who share our values and sustainability-focused mindset. In our annual employee survey, the statement "SUSI's mission is aligned with values I consider important in life" is confirmed in the positive by a continuously high percentage of our team members, which in 2022 stood at 84%.

Ultimately, we aim for a working environment that is highly professional, purposeful, and enjoyable. To foster internal cohesion, we regularly organise company-wide events that facilitate exchange, build personal connections, and allow ourselves to just have some fun.

SUSI workshop with University of Zurich's Finance Club*

Company event on the shore of Lake Zurich**

*Image source: SUSI Partners
**Image source: SUSI Partners

ICT AS A KEY ENABLER OF CORPORATE OPERATIONS

Gathering, processing, and putting data and derived information to good use is core to our business and accordingly, ensuring we have sustainable, state-of-the-art information and communication technology (ICT) in place is a key element of an effective organisation and good governance. ICT also plays a role in reducing our greenhouse gas emission footprint and can affect the performance and health of our employees.

We review our ICT setup on an ongoing basis with three main questions in mind:

SECURITY

EFFICIENCY

SUSTAINABILITY

Does our ICT meet the highest standards guaranteeing operational continuity and a maximum level of data security?

In 2022, we conducted trainings with all employees to sharpen their ability to detect malicious content based on our conviction that well-trained and vigilant employees are the most important line of defence against cyber-attacks. We regularly simulate phishing attacks on our employees to raise awareness and help them learn from potential mistakes in a safe setting. We also continuously work on improving our physical ICT infrastructure with the focus in 2022 being on strengthening our core network, protecting our equipment in case of power grid failures, and increasing failover capabilities.

How can digitalisation and process automation help us increase operational efficiency while reducing our greenhouse gas emissions?

Digital interaction options such as virtual meetings, webinars, and even digital events allow us to tackle our largest source of corporate greenhouse gas emissions, which is business travel. For example, our sales team has implemented strict conditions with regards to physical meetings that require air travel, with all other meetings held via online collaboration tools. While we are still convinced of the importance of in-person contact with clients and other stakeholders, we want to encourage virtual options wherever sufficient.

Digital tools also allow us to keep our paper usage to an absolute minimum as we transition to using digital flipcharts, digital document signing, and avoiding printed presentations by using tablets for investor meetings. We also actively look to automate simple and repetitive processes to enhance operational efficiency across the company.

How can we reduce the emissions footprint of our ICT?

While digitalisation offers much potential for emissions reductions, the hardware and physical infrastructure required also generate emissions and waste, albeit at a much lower level. We have therefore defined strict standards for hardware procurement and disposal as well as application management, and are looking to use scalable solutions, such as cloud computing, that minimise the required computing power.

ICT hardware in many cases requires critical minerals, and while we do look to purchase devices made of sustainably sourced materials, we also acknowledge that emissions and supply chain issues cannot be completely eradicated at this point. We therefore focus on maximising the lifetimes of devices by purchasing from manufacturers with proven records of longevity and high-quality builds, acquiring modern devices to meet performance requirements of future operation systems, and by buying products whose manufacturers actively promote repair and upgrading of individual components.

OUTLOOK

We continuously strive to improve our ESG capabilities on both the investment and corporate level and define key focus points for each year against which we will measure our progress in next year's annual Sustainability Report.

Looking ahead, the industry-wide understanding of material ESG risks and opportunities will continue to change. We fully expect greater interest in topics such as supply chain transparency and biodiversity, diligent reporting of greenhouse gas emissions, worker safety and ensuring the highest standards of human capital management and community relations. We will continue to expand our ESG frameworks and tools accordingly and have the explicit ambition to further expand data generation and KPIs for individual assets.

We welcome rules that give stakeholders the information on ESG issues they require to help avoid 'greenwashing' in the market. Accordingly, we want to stay ahead of the regulatory curve in the world of sustainable finance and ensure we comply accurately and with full transparency with new rules.

Finally, in an increasingly uncertain world, it is more important than ever to make sure our clean infrastructure investments stay as resilient as they have proven to be. With a clear focus on our net zero future, and further improving sustainability across our portfolio, we look forward to meeting the challenge of the year ahead.

KEY SUSTAINABILITY INITIATIVES FOR 2023

→ Enhance data generation quality and extension of formal ESG onboarding for each investee and analyse materiality of KPIs in our investment scope

→ Formulation of consistent approach to financial contributions to local communities in which we operate our assets beyond any contractual obligations or regulatory requirements

→ Expand ESG knowhow across the company and beyond through regular trainings with a particular focus on investment teams and investee companies

→ Expansion of internal control system for ESG processes and risks

→ Inhouse research on relevant sustainability topics, including active knowledge sharing through publications, webinars, or other communication channels

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