



PACIFICO

RENEWABLES YIELD AG

SUSTAINABILITY REPORT

2021

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2021 AT A GLANCE

12/13

of the sustainability targets
for 2021 achieved

124 GWh

Clean energy generated

+84 MW

Portfolio increased

x5

Pipeline increased



As of May 2022, Pacifico Renewables received an **ESG Risk Rating of 24.2** from Sustainalytics and was assessed to be at medium risk of experiencing material financial impacts from ESG factors.

¹ Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an assessment of ESG risk, i.e., a total unmanaged ESG risk score or the ESG Risk Rating, that is comparable across all industries. Sustainalytics' ESG Risk Ratings provide a quantitative measure of unmanaged ESG risk and distinguish between five levels of risk: negligible, low, medium, high and severe. Learn more about the **ESG Risk Ratings** [here](#).

2021 SUSTAINABILITY TARGETS OVERVIEW

Pillar	Material Topic	Target	Target Date	Status
ENVIRONMENT	Biodiversity	Develop assessment criteria to identify potential adverse impacts on the biodiversity of the land that the Group's new renewable energy plants are built on	2021	✓
	Emissions	Carry out a GHG emission assessment for Scope 1 and Scope 2 emissions	2021	✓
		Introduce and track travel-related CO ₂ emissions per employee	2021	✓
	Environmental Management	Develop an environmental management system	2021	✓
	Renewable Energy	Increase portfolio to 400 MW	2023	166 MW
		Increase share of renewable energy in energy consumption to at least 75% in a first step	2023	71.4%
PEOPLE	Diversity & Non-Discrimination	Introduce a diversity tracking approach among applicants in the hiring process	2021	✗
	Employee Wellbeing	Institutionalize a formal training & education program	2021	✓
		Conduct a first employee satisfaction survey	2021	✓
	Social Management	100% of the Group's employees to complete a newly conceptualized Pacifico Code of Conduct training	2021	✓
		Develop a social management system	2021	✓
		100% of the Group's employees to complete a newly conceptualized Pacifico capital markets compliance training	2021	✓
		100% of the Group's employees to complete a newly conceptualized Pacifico Anti-Corruption training	2021	✓
PARTNER	Sustainability in the Value Chain	Introduce a partner code of conduct for the Group's development partners	2021	✓
		Conduct a supply chain analysis with regards to social and environmental factors	2021	✓

1. LETTER FROM THE MANAGEMENT BOARD

GRI 2-22

Dear Stakeholders,

2021 was a good year for Pacifico Renewables, we were able to expand our renewable energy portfolio by 84 MW from 82 MW at the end of 2020 to 166 MW at the end of 2021. Furthermore, we expanded our pipeline from more than 600 MW to more than 3.1 GW by adding three new development partners to our development platform. Our new partnerships also provide us with a technologically and geographically more diversified pipeline, for the first-time adding battery storage projects and projects outside the European Union, namely the United Kingdom and Australia, which highlights our global ambitions.

While working toward achieving this growth, we have continuously made sustainability a key priority to ensure that as our Group grows so do our sustainability efforts to ensure that stakeholders' and our expectations can be met.

After publishing our first sustainability report last year in which we laid out our sustainability strategy, our sustainability framework, and a first set of sustainability targets, we are proud to report on the further progress we have made throughout 2021. While last year's report was primarily an opportunity to lay out our strategic sustainability vision for the future, we are committed to taking our sustainability efforts to the next level by building upon the foundation we built last year.

We appreciate the constructive feedback we received from many different stakeholders which added to our motivation to continue our sustainability journey. The feedback also allowed us to further refine and expand our sustainability strategy to ensure different stakeholder interests and opinions are considered.

Over the past year, we have successfully achieved all, but one of our 13 sustainability targets we set ourselves for 2021. We consider this an important first step toward establishing a track-record of successfully executing ambitious sustainability targets going forward. We also made progress on our mid-term targets to increase the share of renewable energy in our electricity consumption to at least 75% by 2023 and expanding our portfolio to 400 MW by 2024. Going forward, we will continue the practice of setting ourselves both short-term targets and medium-term targets that will enable us to implement our sustainability strategy.

In the first quarter of 2022, we successfully issued a first green finance instrument with UBS Asset Management in accordance with our new Green Finance Framework. All funds raised in accordance with our Green Finance Framework will be allocated into projects aligned with the EU-Taxonomy and the ICMA Green Bond Principles. Furthermore, ISS ESG, a global ESG-rating provider, provided a Second Party Opinion on our Green Finance Framework which independently verified our claims made in the Green Finance Framework and our full alignment with the EU-Taxonomy and the ICMA Green Bond Principles.

Building on the knowledge gained through the process of developing an EU-Taxonomy compliant Green Finance Framework, we have carried out three EU Taxonomy alignment assessments for our most recent acquisitions. Assessed against an internally developed EU-Taxonomy assessment methodology, we concluded that all three acquisitions were in alignment with the EU-Taxonomy. Going forward we have integrated an EU-Taxonomy alignment assessment into our acquisition process and will continue conducting these internal assessments. We view these assessments, and therefore, the EU-Taxonomy regulation, as a major opportunity to ensure that our future investments contribute toward the environmental goals of the EU Commission.

Last year we ended this letter with an acknowledgment that we are at an early stage in the development of our sustainability approach. This year we believe this acknowledgment still applies. However, we invite you to find out whether you agree with our view that we have taken numerous important steps toward improving our sustainability approach, by reading this report. We look forward to receiving further constructive feedback on this report from all our stakeholders to ensure that we continue increasing our positive impact on the environment around us, the people we interact with, and the partners we work with.



Gruenwald, July 6, 2022

A handwritten signature in blue ink that reads "Dr. Martin Siddiqui".

Dr. Martin Siddiqui

A handwritten signature in blue ink that reads "Christoph Strasser".

Christoph Strasser

2. ABOUT THIS REPORT

[GRI 2-1](#) | [GRI 2-2](#) | [GRI 2-3](#) | [GRI 2-4](#) | [GRI 2-14](#) | [GRI 3-2](#)

This sustainability report was prepared in accordance with the Global Reporting Initiative Standards (“GRI”) 2021. The GRI Content Index at the end of this report provides further information about the specific GRI Standards included.

Changes in reporting primarily concern the adoption of the updated GRI 2021, more specifically the GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics. Furthermore, the Group has restated the share and total amount of renewable energy consumption (see **7.1.4 Renewable Energy**) for Italy and consequently, for the Group in 2020. In addition, the Group has introduced the new material topic “community relations” (see **7.2.1 Community Relations**) to its list of material topics.

This report incorporates Pacifico Renewables Yield AG and all its subsidiaries (“**Pacifico Renewables**”, or the “**Group**”), a list of which can be found in the Group’s Annual Report 2021. To provide a detailed and complete overview of the Group’s activities, no entities were excluded from the scope of this report, unless explicitly stated for specific disclosures.

All information and activities of the Group included in this report fall into the period between January 1, 2021, and December 31, 2021 (the “**Reporting Period**”). The report further incorporates actions taken by the Group until June 24th, 2022, the date on which the report was shared with Pacifico Renewables’ supervisory board (the “**Supervisory Board**”), however, all financial data mentioned, and non-financial figures relate to the year 2021 unless explicitly stated otherwise.

HOW TO READ THIS REPORT

This report introduces the Group, its values, and its commitments with a general overview. This is followed by an overview of the Group’s governance and the Group’s stakeholder engagement process, including Pacifico Renewables’ materiality analysis. The main body of this report is Pacifico Renewables’ Sustainability Framework. It lays out the Group’s sustainability approach, which is based on three pillars. Each pillar entails subsections in the form of material topics, which are areas where the Group has identified significant impacts on sustainability-related topics. Each material topic includes a description of the Group’s management of the material topic, which entails the topic-specific impacts identified and policies implemented or under evaluation to manage these impacts. Furthermore, each material topic includes commitments Pacifico Renewables has made and targets the Group has set itself to measure its success in managing each material topic.

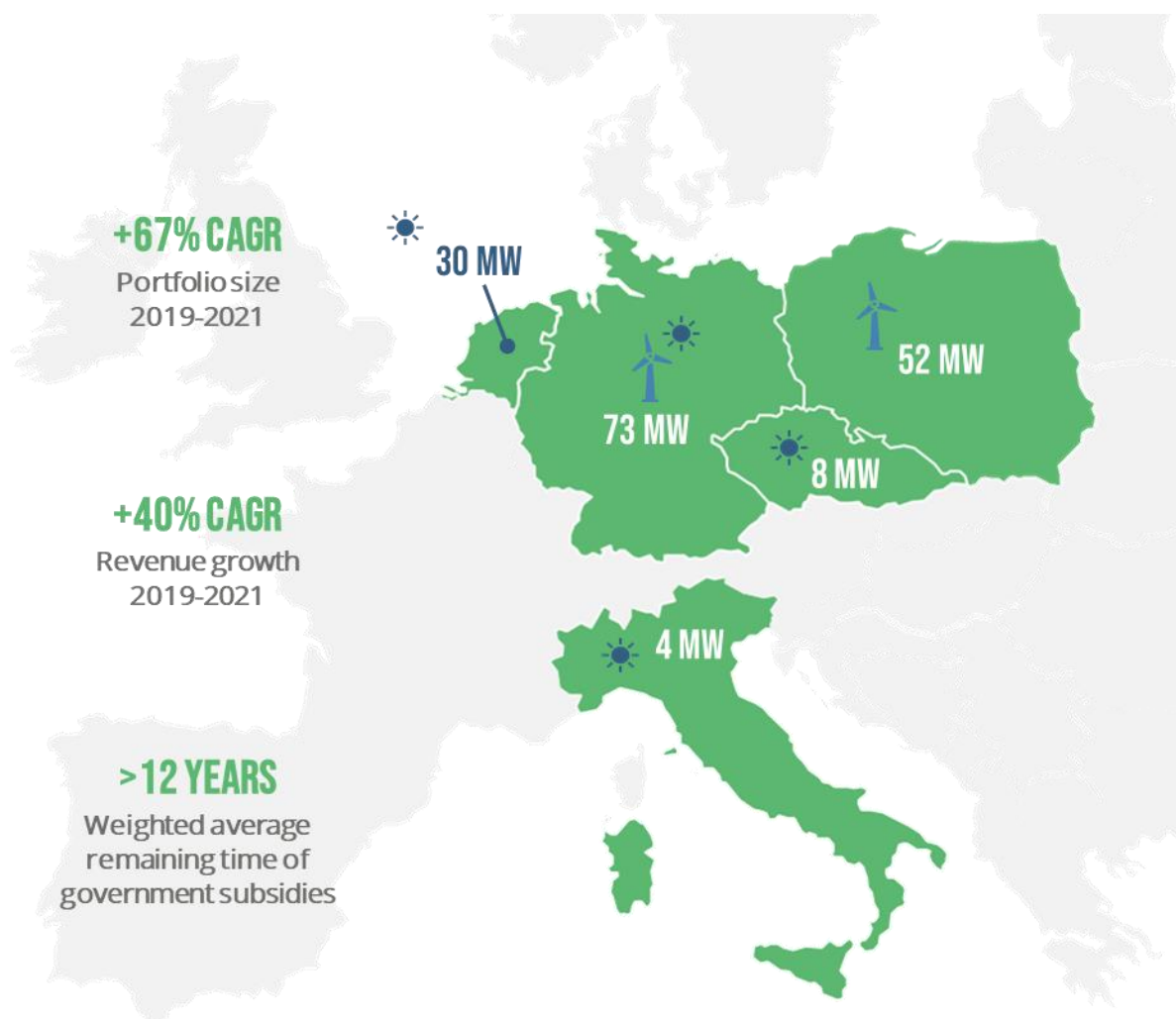
Below each section or subsection title, this report displays the relevant GRI disclosures addressed in the respective section or subsection to show this report’s link to the GRIs.

3. WHO WE ARE

3.1. GROUP OVERVIEW

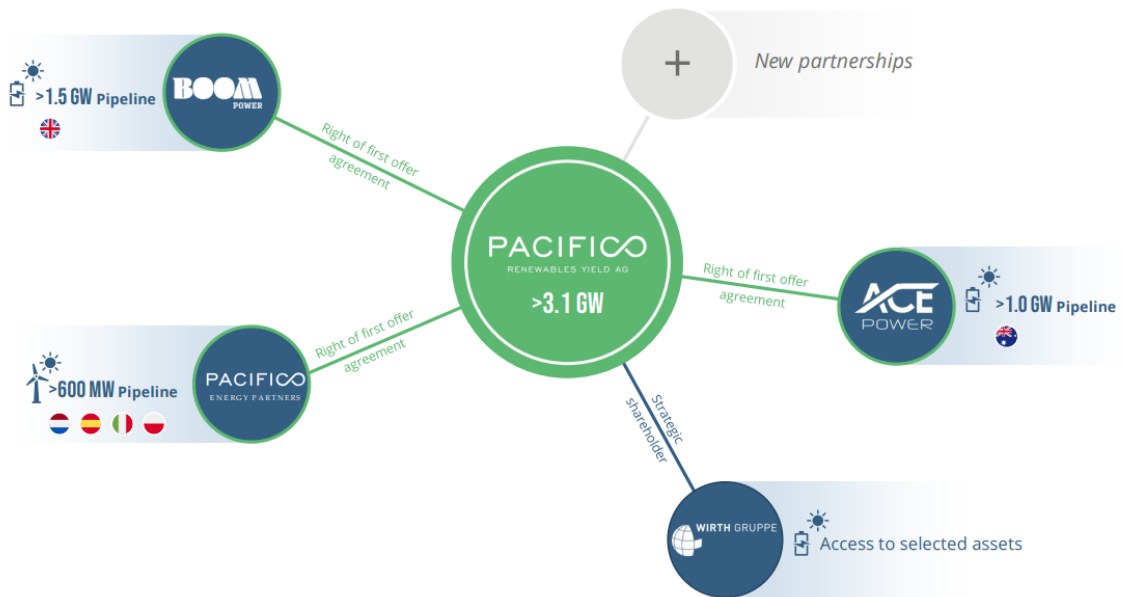
GRI 2-1 | GRI 2-6

Pacifico Renewables is an independent power producer from renewable energy sources which manages a portfolio of solar and wind parks² with a current capacity of 166 megawatts across five European Union member states – Germany, Poland, the Netherlands, the Czech Republic and Italy. The Group aims at building and managing a gradually growing portfolio of power generating assets from renewable energy sources to offer its shareholders a clear and diversified profile with stable and predictable cash flows from the operation of onshore solar and wind parks. The current profile will potentially be complemented by (battery) storage facilities in the future. In 2021, Pacifico Renewables generated 124 gigawatt hours (GWh) of electricity, which enabled the Group to save around 48,000 tons of CO₂e.



² “Wind parks” refer to onshore wind parks. “Solar parks” refer to plants with photovoltaic technology.

As the cornerstone of its portfolio growth strategy, the Group has contractually secured priority access to projects developed by its partners by being a platform to capital markets for small- and medium-sized developers entering partnerships with Boom Power Ltd & Boom Developments Ltd ("**Boom Power**"), ACE Power Development Pty Ltd & ACE Power Operations Pty Ltd ("**ACE Power**"), Pacifico Energy Partners GmbH ("**Pacifico Partners**"), and the WIRTH GRUPPE. Based on its partnerships and associated right of first offer agreements, the Group has priority access to a pipeline of more than 3.1 GW in Australia, Germany, Italy, the Netherlands, Poland, Spain, and the United Kingdom.



3.2. VALUES

GRI 2-23

Pacifico Renewables relies on a set of values, which are expected to be shared by all employees. The following beliefs constitute the core set of values that define Pacifico Renewables.

Pacifico Renewables builds on **passionate** and **responsible** employees with **integrity**, who embrace **transparency** and the need to continuously **reflect** about themselves, each other, and their environment in order to deliver **excellence**.



EXCELLENCE



Every day, Pacifico Renewables strives to improve in order to deliver excellence. Because the Group as a whole aspires to achieve the best possible result, Pacifico Renewables pursues every challenge with the determination to not only succeed but exceed expectations.

REFLECTION



Pacifico Renewables perceives continuous reflection as crucial for progress. Questioning the status quo, assumptions about the future and the Group helps Pacifico Renewables make better decisions. However, reflection means more to the Group. Pacifico Renewables also acknowledges the need to reflect about the consequences of the Group's actions on others and the environment.

TRANSPARENCY



Embracing a transparent way of working together helps Pacifico Renewables' employees to be aligned and work efficiently towards their and the Group's goals. Frequent candid feedback plays an essential role for Pacifico Renewables. Pacifico Renewables also emphasizes transparency in the Group's public communication to facilitate investments into renewable energy assets.

PASSION



Having a tangible and positive impact on accelerating the energy transition and building a great company motivates Pacifico Renewables' employees. This results in a strong desire to know and learn more every day, which is essential to progress as individuals, teams and as a company.

RESPONSIBILITY



Employees at Pacifico Renewables take responsibility for their actions and hold themselves accountable for the impact their actions have on others and the environment. Everyone feels a strong sense of ownership and is motivated by taking on a high degree of responsibility.

INTEGRITY



Without compromise, the Group's employees hold themselves accountable to the highest moral standards. Pacifico Renewables builds on honesty, sincerity, and candor when interacting with others within the Group and with Pacifico Renewables' external stakeholders.

3.3. COMMITMENTS

GRI 2-23

SUSTAINABLE DEVELOPMENT GOALS

Pacifico Renewables is committed to contribute to the fulfillment of the United Nations Sustainable Development Goals ("SDGs"). The 17 SDGs were developed as part of the United Nations Agenda 2030, a global plan to achieve a better and more sustainable future for all. The Group recognizes that its contribution toward the individual SDGs varies. By analyzing its contribution to each SDG, Pacifico Renewables has identified four core SDGs to which the Group most substantially contributes to. An overview of these four core SDGs is outlined below.

UN SDG	CONTRIBUTION
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>The provision of clean and affordable energy is the core objective of Pacifico Renewables. Through its growing portfolio of solar and wind plants, and, therefore, increasing consumption of renewable energy at affordable prices, the Group's contribution towards this goal is continuously growing.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Employees are a key factor in ensuring the Group's continuous growth and positive impact. Pacifico Renewables continuously implements initiatives to ensure that its employees work in a safe, healthy, and growth-fostering work environment that enables them to unleash their full potential.</p>
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts</p>	<p>Pacifico Renewables' portfolio contributes toward climate action by reducing the amount of GHG emissions emitted through electricity generation in the countries the Group operates in. The combination of renewable energy and battery storage plants will further reduce the need to burn fossil fuels in the future.</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>Together with its partners Pacifico Renewables continuously works toward increasing its contribution to the SDGs. Through the collaboration all partners aim to use their available resources to maximize the positive impact they have on the environment and society.</p>

Furthermore, as part of its sustainability target-setting-practice, the Group has identified further six SDGs to which it directly or indirectly contributes. In total, the Group contributes to a total of ten SDGs which are depicted below.



PARIS CLIMATE AGREEMENT

The Group is committed to participating in the global effort to achieve the goals set out in the Paris Climate Agreement, especially the primary goal of limiting global warming to well below 2, preferable to 1.5, degrees Celsius, compared to pre-industrial levels. By continuously expanding Pacifico Renewables' portfolio, the Group is also expanding its contribution toward this goal. Every new solar and onshore wind park that Pacifico Renewables adds to its portfolio represents a step toward the reduction of greenhouse gas emissions from electricity generation as it reduces the amount of greenhouse gas emissions being released into the atmosphere, thereby contributing towards the global effort to fight climate change.

EUROPEAN GREEN DEAL

The Group is committed to contributing toward the achievement of the European Green Deal. As part of the European Green Deal, the EU Taxonomy offers an opportunity for companies to ensure that they contribute to and do not do any harm to the EU's climate change goals. As Pacifico Renewables considers the EU Taxonomy a crucial tool to ensure that capital is channeled into projects that align with the EU's climate change goals it has integrated internal EU Taxonomy alignment assessments into its due diligence process. So far, the Group has conducted three assessments of this kind and has concluded that all three projects are aligned with the EU Taxonomy. Going forward, Pacifico Renewables will continue conducting these assessments to ensure that the Group's investments contribute to the EU's climate change goals.

4. GOVERNANCE

4.1 GOVERNANCE STRUCTURE

GRI 2-9 | GRI 2-10 | GRI 2-12 | GRI 2-13 | GRI 2-14 | GRI 2-15 | GRI 2-20

MANAGEMENT AND OVERSIGHT

The governance structure of Pacifico Renewables ensures a management of the Group and its operations that is both efficient and compliant with all relevant laws and regulations. As a German stock corporation listed on the open market, the governance structure is primarily determined by the German Stock Corporation Act (*Aktiengesetz*). Hence, Pacifico Renewables has a two-tiered governance system in place, consisting of a Management Board (the “**Management Board**”) and the Supervisory Board who closely cooperate.

The Management Board leads the Group with the objective of generating sustainable value for shareholders while also benefitting other stakeholders in the process. The members of the Management Board operate under a principle of overall responsibility, which means they are jointly responsible (and liable) for the entire executive management regardless of a division of tasks within the Management Board. In close cooperation with and the consent of the Supervisory Board, the Management Board sets Pacifico Renewables’ strategic course and ensures its implementation.

The Supervisory Board currently comprises six members (see **4.2 Supervisory Board**). It advises the Management Board and monitors its activity. It is involved in all key corporate decisions, as the Supervisory Board’s approval is necessary for a range of decisions of the Management Board, such as most transactions to acquire renewable energy plants as well as capital increases. The members of the Supervisory Board are elected by shareholders at general meetings. The Supervisory Board in turn, is responsible for appointing and dismissing members of the Management Board. It also approves the Group’s financial statements. Members of the Supervisory Board must adhere to the rules of procedure of the Supervisory Board and the members of the Management Board must adhere to the rules of procedure of the Management Board.

The Supervisory Board has formed two permanent committees: The audit committee as well as the corporate governance and remuneration committee. The audit committee is responsible for any tasks related to the preparation and audit of annual financial statements. The tasks of the corporate governance and remuneration committee focus on ensuring compliance with the German corporate governance codex and determining an appropriate system for the compensation of the Management Board.

Members of both the Supervisory Board and the Management Board must always act in the best interest of the Group. In cases of potential conflicts of interest, members of the Management Board must immediately inform all members of both the Management Board and Supervisory Board. Members of the Supervisory Board must immediately inform all other members of the Supervisory Board about potential conflicts of interest. Members of the Supervisory Board with potential conflicts of interest are excluded from relevant decisions and resolutions. Furthermore, members are obliged not to compete with the Group, not to accept any gifts for themselves or relatives from

the Group, not to grant any third parties unjustified advantages at the expense of the Group, and not to take advantage of business opportunities themselves or through relatives to which the Group has a claim.

SUSTAINABILITY GOVERNANCE

The Management Board defines the Group's sustainability strategy and has overall responsibility for the Group's sustainability performance. The Supervisory Board advises and supports the Management Board regarding these topics. Within the Management Board, Christoph Strasser is the designated member overseeing the sustainability activities across the Group.

Pacifico Renewables' sustainability strategy set by the Management Board is chiefly derived from the Group's sustainability framework (see **7. Sustainability Framework**). The Group's sustainability framework focuses on areas where the Group has identified opportunities and risks that have a significant impact, namely the environment, people, and partners.

In implementing and assessing the sustainability strategy, the Management Board is supported by the Sustainability Department. The Sustainability Department engages in cross-team dialogues and projects with other departments to ensure sustainability is integrated into the Group's operations and strategy.

COMPLIANCE MANAGEMENT SYSTEM

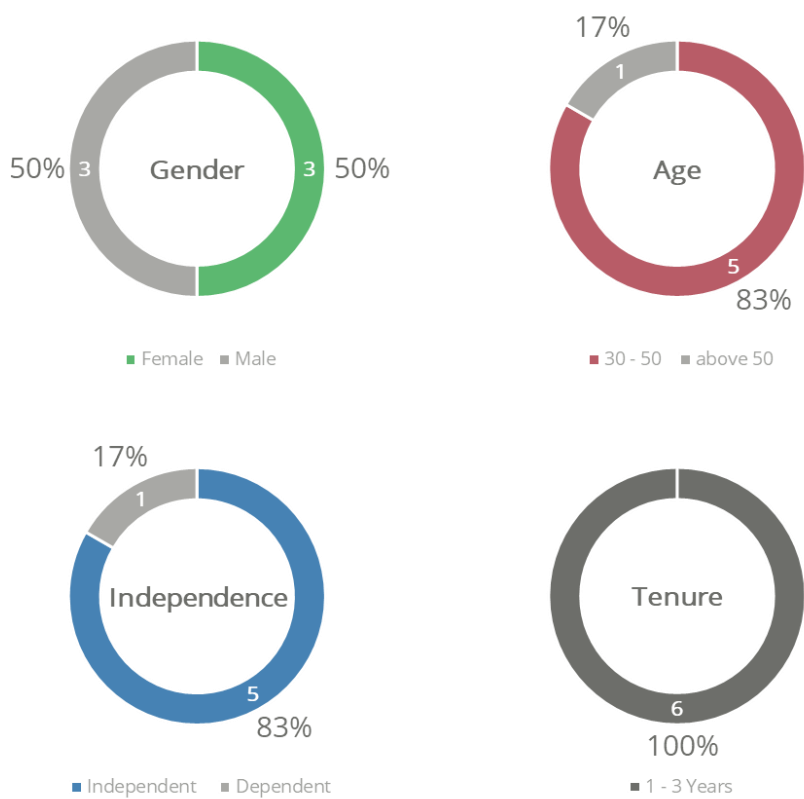
To account for the growing size and headcount of the Group, Pacifico Renewables further refined its compliance management system. Guided by an overall principle of meeting and exceeding the relevant minimum legal standards championed by the Management Board, a thorough compliance risk analysis was conducted. The analysis identified key compliance risks resulting from the business model and the setting Pacifico Renewables operates in and assesses these risks in a matrix based on impact and probability. To address the risks identified in the analysis, the Group has implemented a range of risk mitigation measures and processes. Furthermore, Pacifico Renewables' compliance management system is continuously reassessed and updated, overseen by Pacifico Renewables' compliance officer.

To mitigate the risks identified, Pacifico Renewables has chosen an approach which, on the one hand, focuses on process optimization and documentation and, on the other hand, clearly lays out the Group's values (see **3.2 Values**) as well as obligations of the Management Board and employees in a code of conduct ("**Code of Conduct**") and of partners in the Group's partner code of conduct ("**Partner Code of Conduct**") and various guidelines (see **5.2.3 Social Management**). Additionally, Pacifico Renewables carries out compliance trainings for its employees to ensure awareness of preparedness for compliance risks.

4.2. SUPERVISORY BOARD

GRI 2-9 | GRI 2-11 | GRI 405-1

At the end of the Reporting Period, Pacifico Renewables’ Supervisory Board had six members, with one chairman, one deputy chairwoman, and four additional members. The Supervisory Board has achieved gender parity with three females and three males. Five Supervisory Board members are between thirty and fifty years old and one is above fifty years old. Five out of six members of the Supervisory Board are independent members, which corresponds to a share of 83.3%. All members of the Supervisory Board have a tenure of between one and three years and all members of the Supervisory Board are non-executive members.



5. STAKEHOLDER ENGAGEMENT

GRI 2-12 | GRI 2-29

STAKEHOLDER IDENTIFICATION

Pacifico Renewables carried out a stakeholder analysis to identify relevant stakeholders. The stakeholder identification was based on an analysis of the Group's degree of interaction and engagement with different stakeholder groups, as well as an internal stakeholder mapping that identified who can reasonably be considered a stakeholder of the Group.

The graphic below depicts the various stakeholder groups that were identified through the stakeholder mapping.



STAKEHOLDER ENGAGEMENT

To grant stakeholders further insights into the Group's approach on stakeholder management and stakeholder communication, the following overview was developed. For each stakeholder group, it describes the engagement approaches, key topics and concerns raised, the scope and purpose of the engagement, and lastly, the frequency of the engagement.

Stakeholder	Engagement Approach	Topics & Concerns	Scope & Purpose	Frequency
Civil Society	Website, company publications, corporate announcements, conferences, social media	Positive and adverse contribution to society	Managing public expectations	Recurring engagement
Customers	Email, telephone calls, meetings	Electricity markets, macroeconomic environment	Managing customer relations & ensuring healthy customer relationships	Recurring engagement
Development Partners	Email, meetings, workshops	Project development, operational plant performance, asset management, end-of life management	Viability of the development pipeline and smooth operation of existing plants	Recurring engagement
Employees	Email, meetings, workshops, trainings, surveys, whistle-blower channel, team events	Talent retention and development, employee well-being	Ensuring favorable outcomes for both the Group and its employees	Recurring engagement
Financial Community	Website, company publications, corporate announcements, roadshows, conferences	Financial and non-financial performance, financial resiliency	Managing creditor and lending expectations	Recurring engagement
Media	Email, telephone calls, written and in person interviews	Financial and non-financial performance, positive and adverse contribution toward society, topics of expertise	Managing media and public expectations, Contributing to public discussions	Recurring engagement
Public Institutions	Website, meetings, consultations	Emerging and existing legislations and regulation	Ensuring compliance with relevant laws and regulations	Recurring engagement
Shareholders	Website, company publications, corporate announcements, roadshows, conferences, General Meeting	Financial and non-financial performance, shareholder value	Managing shareholder expectations	Recurring engagement

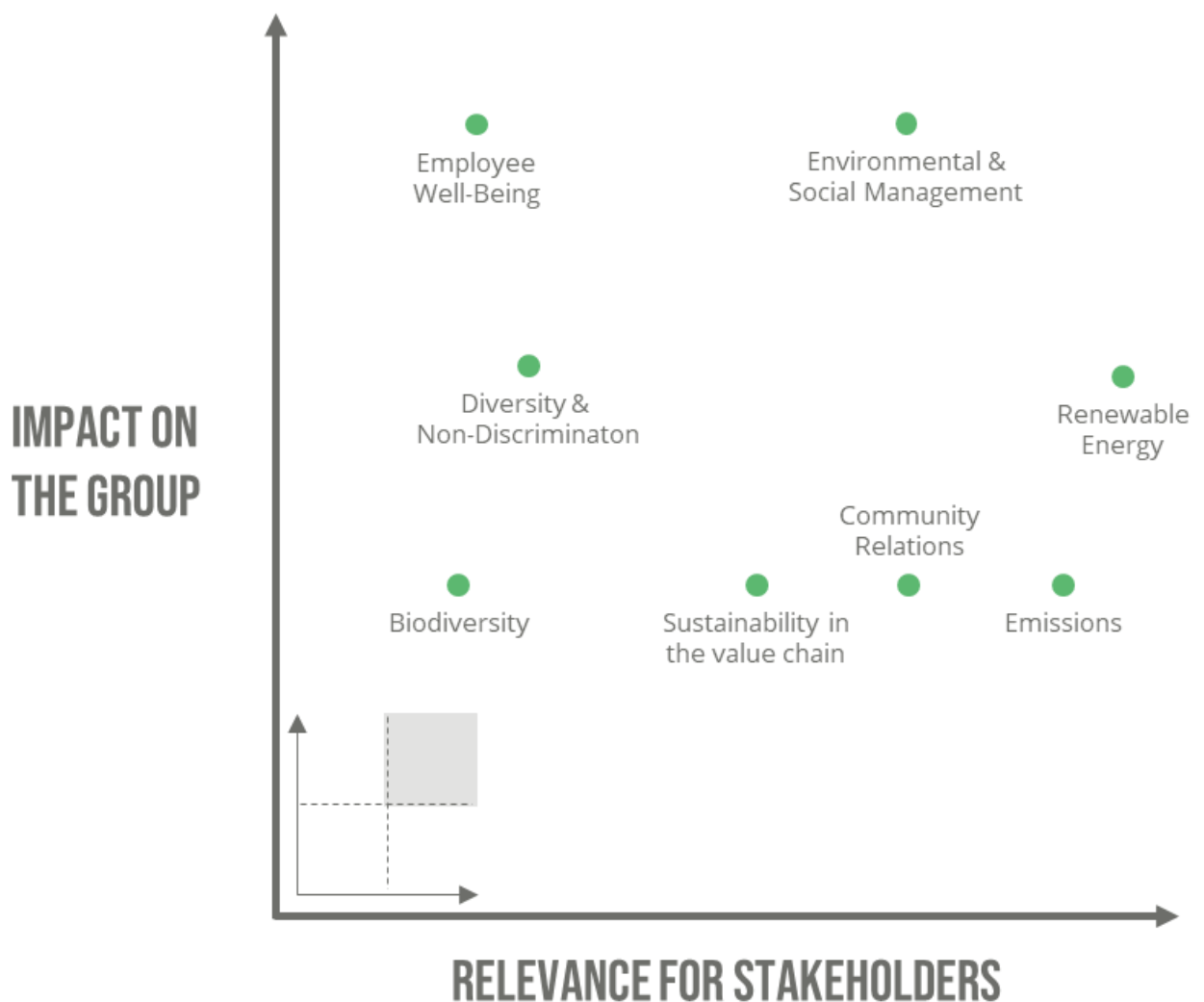
6. MATERIALITY

GRI 2-29 | GRI 3-1 | GRI 3-2

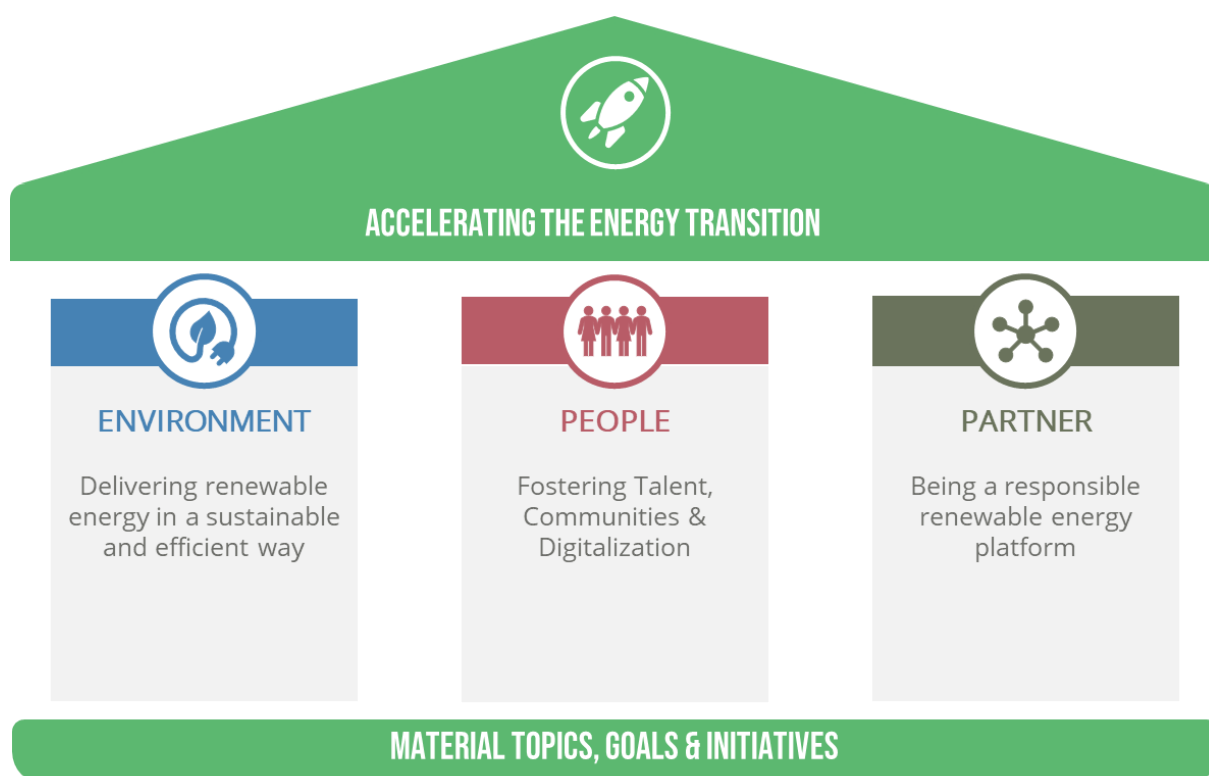
To identify material topics for this report, the Group has conducted a thorough materiality analysis. The materiality analysis is based on the guidance provided by the GRI Standards and encompasses the following steps:

- i. Regularly assessing and identifying impacts on the environment, people, and partners as part of the Group's day-to-day operations.
- ii. Engaging in stakeholder dialogue to ensure stakeholder concerns are noted and integrated in the Group's ongoing impacts assessments.
- iii. Assessing the significance of the different impacts to ensure the most significant impacts are reported on as material topics in the Group's annual sustainability reporting.

The materiality analysis led to the development of the following materiality matrix which matches the impacts on the organization (y-axis) and stakeholders (x-axis).



7. SUSTAINABILITY FRAMEWORK



Pacifico Renewables' overall goal is to accelerate the energy transition by applying established technologies in the most competitive way. Three main areas were identified, where Pacifico Renewables can have a significant impact – the environment, people, and partners. To address these impacts and corresponding to the areas identified, the Sustainability Framework is composed of three pillars, which serve as the foundation for the Group's sustainability strategy.

The first pillar is about delivering renewable energy in a sustainable and efficient way. The pillar includes the Group's goal to not only generate increasingly more electricity from renewable sources but also to mitigate potential adverse consequences Pacifico Renewables' operations might have on the environment such as using non-renewable energy for its plants' own energy consumption.

The second pillar is about fostering talent, communities, and digitalization. Pacifico Renewables believes that giving responsibility to the most talented and ambitious people leads to outstanding results. While doing so, the Group takes its responsibility very seriously to give Pacifico Renewables' employees the opportunity to continuously grow and thrive. In addition, Pacifico Renewables believes that digital tools and applications enable employees to reach their full potential and therefore strives to implement digitization in all areas of working routines and the Group's operations. Furthermore, Pacifico Renewables takes the impact it has on the communities the Group operates in very seriously and strives to be a responsible part of society.

The third pillar is about being a responsible renewable energy platform. The Group believes in the advantages of an efficient separation of risks and activity profiles and a lean and scalable organizational set-up. Therefore, having excellent partnerships with stakeholders covering various areas of the value chain is key for Pacifico Renewables. Among the partnerships with stakeholders, the Group's partnerships with project developers are of particular importance. As a potential buyer of newly developed projects, Pacifico Renewables can have a positive impact not only by helping developers recycle development capital efficiently but also by influencing key design choices during the development phase. Pacifico Renewables works on initiatives to formalize key aspects to safeguard sustainable and ethical business conduct beyond the Group's direct operations.

All three pillars include pillar-specific material topics, which describe firstly, the Group's approach in areas where the Group has identified potential impacts, secondly, targets that outline practical measures Pacifico Renewables is planning to introduce, and thirdly, initiatives that the Group has implemented or plans to implement to mitigate potential adverse impacts.



PACIFICO RENEWABLES GREEN FINANCE FRAMEWORK

In early 2022, Pacifico Renewables signed a €35 million debut secured green loan private placement with UBS Asset Management with a fixed interest rate of 4.85% and a 5-year tenor. The issuance of a green debt instrument was possible due to the preceding introduction of Pacifico Renewables' first **Green Finance Framework** (the "Framework").

The Framework sets out the Group's use of proceeds, including its eligibility criteria, management of proceeds, evaluation, and selection criteria as well as its commitments to annual reporting and external verification. The proceeds from green finance instruments issued under the Framework will only be invested in projects that are in full alignment with the ICMA Green Bond Principles and the EU Taxonomy.

The Group has set up a Green Finance Committee that will select and evaluate projects that might then be added to its portfolio of eligible projects. Lastly, the Group will publish allocation and impact reports on its website annually to keep stakeholders updated about its actual use of proceeds. The allocation report will be independently verified by a third party.

The Framework has received a second party opinion by ISS ESG which found that Pacifico Renewables' Green Finance Framework is in full alignment with both the ICMA Green Bond Principles and the EU Taxonomy.

GREEN FINANCE PROCESS

1. Green Finance Instruments are issued in accordance with the Green Finance Framework
2. The Green Finance Committee evaluates projects and adds those in alignment with the eligibility criteria to the Portfolio of eligible projects
3. Proceeds from the Green Finance Instruments are allocated towards projects in the portfolio of eligible projects
4. The Group annually reports allocation of proceeds and environmental impacts in an allocation and impact report



7.1. DELIVERING RENEWABLE ENERGY IN A SUSTAINABLE AND EFFICIENT WAY



GRI 3-3

This pillar includes the material topics Biodiversity, Emissions, Environmental Management, and Renewable Energy.

2021 TARGETS DELIVERY

Material Topic	Target	Delivery	UN SDG
Biodiversity	Develop assessment criteria to identify potential adverse impacts on the biodiversity of the land that the Group's new renewable energy plants are built on		
Emissions	Carry out a GHG emission assessment for Scope 1 and Scope 2 emissions		
Emissions	Introduce and track travel-related CO ₂ emissions per employee		
Environmental Management	Develop an environmental management system		

2022+ TARGETS

Material Topic	Target	Target Date	Status	UN SDG
Biodiversity	Develop Biodiversity Standards in cooperation with development partners	2022		
Emissions	Reduce Emissions to Revenue Ratio by 25% compared to the base year 2020	2023		
Environmental Management	100% of the Group's employees to complete the environmental management system training	2022		
Renewable Energy	Increase portfolio to 400 MW	2023	166 MW ³ (2020: 82 MW)	
Renewable Energy	Increase share of renewable energy in energy consumption to at least 75% in a first step	2023	71.4% (2020: 60.8%)	

This report will present the pillar-specific material topics in the following subsections, including respective goals, the Group's management approach toward each material topic, and initiatives implemented to address potential sustainability-related impacts.

³ As of December 2021

7.1.1. BIODIVERSITY

GRI 3-3 | GRI 304-2

OUR 2021 ACHIEVEMENTS



Develop

Assessment Criteria

to identify potential adverse impacts on the biodiversity of the land that the Group's renewable energy plants are built on



OUR 2022+ TARGETS



Develop

Biodiversity Standards

in cooperation with development partners

Pacifico Renewables is committed to the protection of biodiversity and the preservation of natural habitats. The Group has met its target for 2021 to develop biodiversity assessment criteria. As a next step, the Group has set itself the target to draft biodiversity standards in cooperation with its development partners. The aim of these biodiversity standards is to ensure that biodiversity and ecosystem risks and adverse impacts are mitigated while, where possible, plants contribute to the preservation and enhancement of biodiversity and ecosystems on the land the plants are built on.



EXAMPLE: POLAND

In 2021 Pacifico Renewables closed the acquisition of a 51.8 MW Onshore Wind Project in Poland. The project consists of three separate wind parks. In two of these wind parks bird detection systems have been installed to ensure adverse impacts on migrating birds, namely geese, cranes, and lapwings. The bird detection system is activated in autumn and spring, which are the main migration periods for birds, and stops the turbines in case a bird is detected. The bird detection system can detect birds at a distance of 150m from the wind turbine which ensures that birds can migrate through the wind parks unharmed.

The Group intends to work with its development partners to improve biodiversity protection and the preservation of natural habitats from the beginning of the project development and the construction of renewable energy plants and will report on the outcome of these discussions in due time.

To this end, Pacifico Renewables has, together with its development partners – Pacifico Partners and Boom Power – held sustainability workshops which were followed by setting up respective Biodiversity working groups to draft and define the biodiversity standards.

Furthermore, Pacifico Renewables will continue to assess biodiversity measures on a case-by-case basis for future acquisitions.

7.1.2. EMISSIONS

GRI 3-3 | GRI 305-1 | GRI 305-2 | GRI 305-3 | GRI 305-4

OUR 2021 ACHIEVEMENTS



Introduce and track

Travel-Related CO₂ Emissions

per employee



Carry out a

GHG Emission Assessment

for Scope 1 and Scope 2 emissions



OUR 2022+ TARGETS



Reduce

Emissions to Revenue Ratio

to revenue ratio by 25% compared to the base year 2020

Pacifico Renewables is committed to reducing its carbon footprint as much as possible. The Group has achieved its 2021 target to carry out an emissions assessment in line with the Greenhouse Gas Protocol for Scope 1 and Scope 2 emissions⁴ in 2021.

Furthermore, the Group has also achieved its target to track travel-related CO₂ emissions. The Group has done so according to the Greenhouse Gas Protocol and, therefore, has also carried out an emissions assessment for the Greenhouse Gas Protocol Category 6: Business Travel and Category 7: Employee Commuting.

The Group has set itself the target to reduce its Scope 1 and Scope 2 emission intensity ratio ("Emissions to Revenue Ratio"), measured by dividing Scope 1 and market-based ("MB") Scope 2 emissions⁵ by the Group's revenue, by 25% in 2023 compared to the base year 2020.

EMISSIONS TO REVENUE RATIO

Scope/Category	Unit	2021	2020	Change	
				Total	%
Scope 1 and MB Scope 2 emissions	tCO ₂ e	157.1	101.1	56.0	55.3
Revenue	€'000,000	21.9	15.0	6.9	46.0
Carbon Intensity Ratio	tCO₂e/€'000,000	7.2	6.7	0.4	6.4

⁴ Scope 1 and Scope 2 are part of the Greenhouse Gas Protocol corporate standard, which is the leading emissions calculation standard. Scope 1 emissions are direct emissions emitted by company-controlled resources, including vehicles, the consumption of fuels, heating, and cooling, as well as emissions from industrial processes. Scope 2 emissions are indirect emissions from the consumption of purchased electricity, steam, heat, and cooling.

⁵ A market-based method reflects emissions from electricity that companies have purposefully chosen (e.g., by choosing low-emission electricity tariffs from electricity providers). A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data).

MARKET-BASED METHOD⁶

Scope/Category	2021		2020		Change	
Unit	t CO ₂ -e	%	t CO ₂ -e	%	t CO ₂ -e	%
Scope 1	-	-	-	-	-	-
Scope 2 ⁷	157.1	94.7	101.1	97.8	56.0	55.3
Scope 3 ⁸	8.8	5.3	2.2	2.2	N/A	N/A
6: Business Travel	7.5	4.5	2.2	2.2	5.2	233.3
7: Employee Commuting	1.3	0.8	N/A	N/A	N/A	N/A
Total emissions	165.9	100.0	103.4	100.0	N/A	N/A
Total emissions (comparable basis)⁹	164.6		103.4		61.2	59.2

LOCATION-BASED METHOD⁶

Scope/Category	2021		2020		Change	
Unit	t CO ₂ -e	%	t CO ₂ -e	%	t CO ₂ -e	%
Scope 1	-	-	-	-	-	-
Scope 2 ⁶	221.2	96.2	143.4	98.5	77.8	54.3
Scope 3 ⁸	8.8	3.8	2.2	1.5	N/A	N/A
6: Business Travel	7.5	3.3	2.2	1.5	5.2	233.3
7: Employee Commuting	1.3	0.6	N/A	N/A	N/A	N/A
Total emissions	230.0	100.0	145.7	100.0	N/A	N/A
Total emissions (comparable basis)⁹	228.7		145.7		83.1	57.0

Most emissions that are emitted in relation to the Group's business activities occur indirectly and are outside of the Group's direct control and, therefore, fall under Scope 3¹⁰. This means measures to reduce such emissions would have the greatest positive impact while also being the ones the Group has the least control over. The Group is currently evaluating how to best identify and measure Scope 3 emissions to be able to develop reduction strategies and will report further progress on this process in the future.

⁶ Figures are partly based on assumptions

⁷ Not all electricity and heating consumption included due to the lack of data available at the time of the publication of this report.

⁸ Only categories 6 "business travel" and 7 "employee commuting" have been considered for this assessment. For the base year 2020, only category 6 "business travel" has been assessed.

⁹ The "comparable basis" only includes Scope 2 emissions and Scope 3 category 6: Business Travel emissions since Scope 3 category 7: Employee Commuting emissions are not available for 2020

¹⁰ Scope 3 emissions are indirect emissions emitted along a company's value chain including upstream and downstream, including but not limited to the emissions that occur in the company's supply chain and the emissions that occur due to the consumption of the company's goods and services.

The Group has identified corporate travel as a focus area that can help avoid emissions. To that end, the Group has implemented the Pacifico Green Travel Guideline which the Group is convinced should reduce CO₂ emissions from business travel to a minimum and reduce one major source of CO₂ emissions Pacifico Renewables has significant control over. To measure the success of the Pacifico Travel Guideline, the Group has been tracking its travel-related emissions from 2020 onwards.



GREEN TRAVEL GUIDELINE

Pacifico Renewables has developed a green travel guideline that aims to reduce the Group's environmental impact through business travel. When traveling in their capacity as Pacifico Renewables employees, employees should refrain from using planes as means of transportation when traveling inside Germany. Employees are also encouraged to refrain from travelling by plane outside of Germany and are only allowed to travel by plane after management has evaluated the necessity to fly and given explicit permission to do so. If an employee does fly, Pacifico Renewables compensates the resulting CO₂ emissions.

7.1.3. ENVIRONMENTAL MANAGEMENT

GRI 2-27 | GRI 3-3 | GRI 307-1

OUR 2021 ACHIEVEMENTS



Develop an
Environmental Management System



OUR 2022+ TARGETS

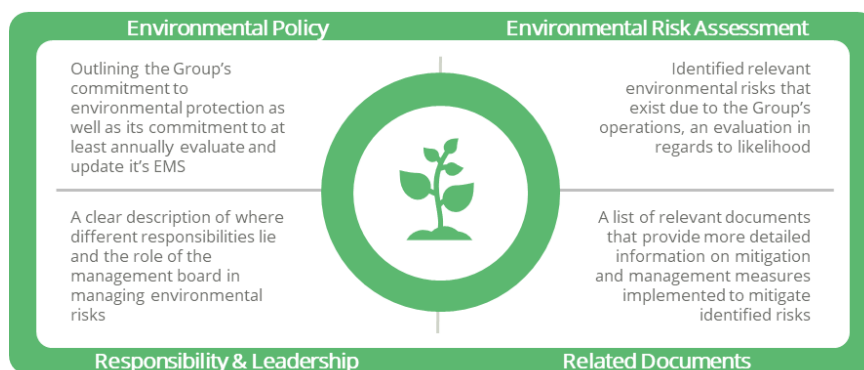


100% of the
Group's employees to complete the
**Environmental Management System
Training**

Pacifico Renewables has met its target for 2021 to develop and implement an environmental management system ("EMS"). At the center of the EMS lies Pacifico Renewables' environmental policy, as well as the Group's environmental risk assessment. Furthermore, the EMS includes responsibility and leadership sections as well as an overview of processes, procedures, guidelines, and work instructions that make up the EMS under the related documents section.

Pacifico Renewables will continuously work toward improving, and where necessary adjusting the EMS, including an at least annual review and update of the environmental risk assessment to ensure all relevant risks are identified and, if possible, mitigated.

To raise awareness of and ensure compliance with the EMS the Group has set itself the target of 100% of employees receiving the environmental management system training in 2022 and annually afterward. Furthermore, the Group will introduce the environmental management system training into its onboarding process for new employees to ensure that all employees are aware of it from the very beginning.



The Group has not identified any non-compliance with environmental laws and regulations in the Reporting Period and has not received any monetary or non-monetary fines.

7.1.4. RENEWABLE ENERGY

GRI 3-3 | GRI 302-1 | GRI 302-3

OUR 2022+ TARGETS 



Increase

Renewable Energy Capacity

to 400 MW



Increase

Share of Renewable Energy

in energy consumption to at least 75%

Pacífico Renewables aims to continuously increase its positive environmental impact by increasing the Group's renewable energy portfolio which allows the Group to increase the amount of renewable energy it produces and sells. 100% of the 123.8 GWh of electricity generated by the Group in 2021 came from renewable energy sources.

The Group aims to increase its portfolio to 400 MW by the end of 2023. Over the past year, the Group has been able to grow its portfolio from 82 MW at the end of FY 2020 by 84 MW to 166 MW at the end of FY 2021, which represents an increase of 102.4% within one year.

The Group consumed a total of 676.9 MWh of electricity in 2021, 71.4% of which came from renewable sources. Last year the Group set itself the target to increase the share of renewable energy in total electricity consumption to 75% by 2023. In 2021 Pacífico succeeded in increasing this share from 60.8% to 71.4%.

Country	Electricity Production		Electricity Consumption ¹¹		Renewable Consumption ¹¹		Renewable Share	
Unit	GWh		MWh		MWh		%	
	2021	2020	2021	2020	2021	2020	2021	2020
Germany	82.4	63.9	527.8	337.5	382.6	209.1	72.5	61.9
Czech Republic	8.2	8.6	41.4	41.6	6.4	6.1	15.5	14.7
Italy	4.9	5.6	77.9	84.5	64.2	66.1 ¹²	82.5	78.2 ¹²
Netherlands	4.6	3.7	1.2	1.8	1.2	1.8	100.0	100.0
Poland	23.6	N/A	28.6	N/A	28.6	N/A	100.0	N/A
Group	123.7	81.8	676.9	465.4	483.0	283.1¹³	71.4	60.8

¹¹ Not all electricity consumption included due to the lack of data available at the time of the publication of this report.

¹² Restated

¹³ Sum of individual country consumption amounts is not equal to Group consumption amount due to rounding error

Pacifico Renewables has introduced an energy intensity ratio that covers the whole Group. The ratio is the Group's annual electricity consumption in MWh divided by the annual revenue in millions of Euros. In 2021, the energy intensity ratio decreased by 0.4% from 31.0 to 30.9.

Category	Unit	2021	2020 ¹⁴	Change	
				Total	%
Electricity Consumed	MWh	676.9	465.4	211.5	45.4
Revenue	€'000,000	21.9	15.0	6.9	46.0
Energy Intensity Ratio	MWh/€'000,000	30.9	31.0	-0.1	-0.4

¹⁴ Revenue and Energy Intensity Ratio restated due to transition to IFRS

7.2. FOSTERING TALENT, COMMUNITIES & DIGITALIZATION



GRI 3-3

This pillar includes the material topics Community Relations, Diversity and Non-Discrimination, Employee Well-Being and Social Management.

2021 TARGETS DELIVERY

Material Topic	Target	Delivery	UN SDG
Diversity and Non-Discrimination	Introduce a diversity tracking approach among applicants in the hiring process		
Employee Well-Being	Institutionalize a formal training & education program	¹⁶	
Employee Well-Being	Conduct a first employee satisfaction survey		
Social Management	100% of the Group's employees to complete a newly conceptualized Pacifico Code of Conduct training		
Social Management	100% of the Group's employees to complete a newly conceptualized Pacifico Anti-Corruption training		
Social Management	100% of the Group's employees to complete a newly conceptualized Pacifico capital markets compliance training		
Social Management	Develop a social management system		

¹⁶ The Training & Education program has been introduced under a different name - the "Learning & Development Process"

2022+ TARGETS

Material Topic	Target	Target Date	Status	UN SDG
Community Relations	Standardize and offer a pupil internship program	2022		
Community Relations	Develop Community Outreach Standards in cooperation with development partners	2022		
Diversity & Non-Discrimination	Develop a Diversity and Awareness Training	2022		
Employee Well-Being	100% of employees to complete the annual Employee Engagement Survey	2022		
Employee Well-Being	Develop an employee benefits program	2022		
Employee Well-Being	Formalize a flexible workplace guideline	2022		
Social Management	100% of the Group's employees to complete the annual compliance training (Code of Conduct, Anti-Corruption & Capital Markets Guideline)	2022		
Social Management	100% of the Group's employees to complete the annual social management system training	2022		

This report will present the pillar-specific material topics in the following subsections, including respective goals, the Group's management approach toward each material topic and initiatives implemented to address potential sustainability-related impacts.

7.2.1 COMMUNITY RELATIONS

GRI 3-3 | GRI 413-1

OUR 2022+ TARGETS



Standardize and offer a

Pupil Internship Program



Develop

Community Outreach Standards

in cooperation with development partners

Pacifico Renewables aims to have cordial relations with the communities it operates in. This applies both to the communities around our offices where our impact is primarily derived from our employees' actions as well as the communities where our plants are located.

COMMUNITY OUTREACH & CONSULTATION

Pacifico Renewables recognizes that solar farms and onshore wind farms can have material impact on surrounding communities, the Group has a responsibility to ensure that these communities can voice their concerns about the construction of new and the operation of existing plants in their vicinity.

As a first step, the Group has set itself the target to develop community outreach standards in cooperation with its development partners. To this end, Pacifico Renewables has, together with its development partners – Pacifico Partners and Boom Power, held sustainability workshops which were followed by the setting up of respective community outreach working groups to draft and define community outreach standards.

The Group recognizes that while these community outreach standards represent a first step in the right direction each community in the vicinity of the Group's plants has different needs and individual concerns which need to be heard and acted upon.

SOCIAL ENGAGEMENT

Pacifico Renewables aims to increase its social impact beyond the scope of its direct operations by engaging with and supporting social impact organizations with the goal to improve the communities the Group operates in, and Pacifico Renewables' employees live in. To that end, the Group is working together with two social impact organizations – Deutsche Sporthilfe and Lebenshilfe Salzburg – to increase the Group's positive contribution to society. Pacifico Renewables aims to develop long-lasting trust-based relationships with these two organizations.



Stiftung Deutsche Sporthilfe is the largest privately funded sports sponsorship initiative in Germany. Since 1967 it has successfully supported professional athletes, who have collectively won 261 gold medals at the Olympic games and 350 gold medals at the Paralympics. Athletes are supported both through financial means as well as career planning and personal development initiatives. One initiative called "Sprungbrett Zukunft" promotes internships and dual careers to clear the path for the athletes to have a successful career in parallel to competitive sports. Since we appreciate top athletes' valuable contribution to society, Pacifico Renewables is proud to support this initiative by offering top young athletes the opportunity to gain professional experience through short-term internships with flexible working hours to accommodate demanding training schedules.



ARON'S STORY



From August to October 2021, German U21 National Hockey Team player Aron Flatten worked as an intern at the Group, while simultaneously training for the 2021 U21 Hockey World Cup. He joined Pacifico Renewables through the Group's collaboration with "Sprungbrett Zukunft", an initiative of Deutsche Sporthilfe. His demanding training hours were accommodated by the Group by granting him flexible working hours as well as providing him with a mentor, Co-CEO Dr. Martin Siddiqui, himself a former professional athlete.

After finishing second at the U21 Hockey World Cup 2021, he looked back at this experience at Pacifico and shared: „I have really enjoyed gaining practical insights at Pacifico Renewables. Similar to sports, I especially enjoyed interacting with this dynamic and motivated team.“

Lebenshilfe

Salzburg

Lebenshilfe Salzburg is an organization that provides a broad range of services to persons with learning disabilities in communities throughout the Salzburg region (Austria) where it operates in more than 80 locations. The organization has focused on moving toward more person-centered services, improving the quality of life for persons with learning disabilities, and supporting them to get fully included as citizens with equal rights and opportunities as guaranteed by the UN Convention on the Rights of Persons with Disabilities.

To achieve this, the organization closely cooperates with communities and sensitizes the population and the people in charge to make communities more accessible and inclusive. The organization offers a broad range of training for staff, persons with learning disabilities, and others in specialized and inclusive settings. To support the organization, we have committed to having all our deal tombstones crafted by manufactories that employ people supported by the Lebenshilfe Salzburg.



CORPORATE CARDS

This year the “Season’s Greetings” cards the Group sent to various parties close to the Group were designed and manufactured by people employed at Lebenshilfe Salzburg. Instead of sending out standardized cards this allowed the Group to share uniquely designed and handcrafted cards with a social benefit to every single recipient.

7.2.2. DIVERSITY & NON-DISCRIMINATION

GRI 3-3 | GRI 405-1 | GRI 406-1

OUR 2022+ TARGETS



Develop a

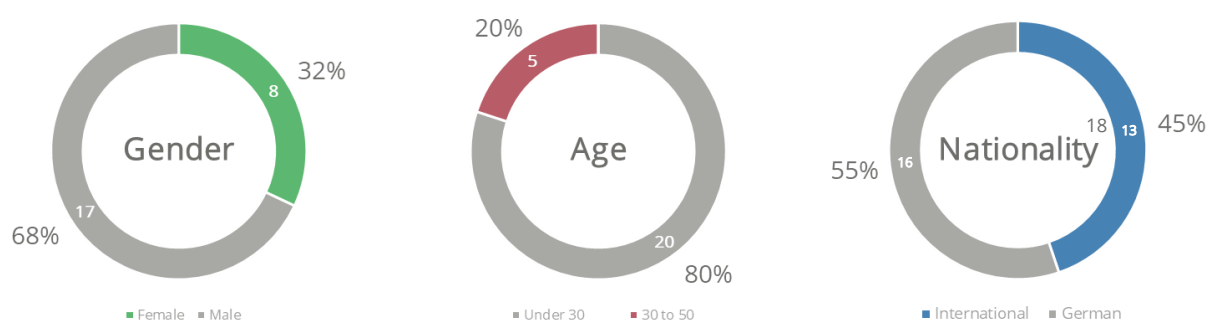
Diversity And Awareness Training

DIVERSITY

Pacifico Renewables is convinced that a systematic unbiased approach combined with certain steps to strengthen diversity and inclusion is needed to create a diverse culture and attract each and every talent.

The Group constantly aims to improve its diversity. At the end of the Reporting Period, Pacifico Renewables employed eight females and seventeen males¹⁷, resulting in a 32% female share of the total workforce.

It is important to be thoughtful about which forms of multivariate diversity to prioritize going beyond gender. Pacifico Renewables is aware of an age-diverse workforce promoting stability, fueling innovation, and productivity. Hence it aims to offer an attractive and increasingly international work environment for different age ranges. At the end of the Reporting Period, the Group employed twenty employees or 80% under the age of 30 and five employees or 20% between the ages of 30 and 50. In total there were eleven nationalities employed by the Group.



Pacifico Renewables didn't meet its target for 2021 to introduce diversity tracking among applicants due to data privacy concerns. To ensure the privacy of applicants is respected, the Group has decided to take a different course by setting itself a new target to develop a diversity and awareness training for its employees. Through this training the Group aims to ensure that both internally and, crucially, in the hiring process any potential bias are addressed and employees involved in the hiring process are aware of and sensitized towards bias that they may have.

¹⁷ Including the Management Board, permanent employees and temporary employees including interns and working students.

¹⁸ Each nationality is accounted for individually, irrespective whether employees hold multiple nationalities.

EQUAL OPPORTUNITIES

Driven by its commitment to diversity, the Group places a high emphasis on creating value by providing different perspectives on challenges and opportunities and applying equal opportunity and transparent and fair processes to all employment practices. When determining whether a candidate is suitable for a position, consideration is given to the candidate's experience, skills, abilities, and values. Pacifico Renewables places particular emphasis on ensuring a match between the employees' values with the Group's values. As a general and defining basis, the Group is committed to designing its hiring process in a way that eliminates potential unconscious biases so that the race, color, sex, language, religion, political or other opinion, national or social origin, birth, or other status do not affect hiring decisions. The Group aims to grow into a highly diverse team building on a wide range of backgrounds and perspectives. Promoting diversity of all types is a crucial factor to be considered in any decisions regarding the development of Pacifico Renewables.

NON-DISCRIMINATION

Pacifico Renewables is committed to creating a working environment in which everyone, irrespective of race, color, sex, language, religion, political or other opinion, national or social origin, birth, or other status, can feel safe, and develop freely and have access to any support needed. Furthermore, the Group aims to create and guarantee equal opportunities to all employees irrespective of these characteristics. Pacifico Renewables, therefore, expects all its employees to follow this approach and to always treat each other in a non-discriminatory way. During the Reporting Period, there were no incidents of discrimination¹⁹ reported and therefore, no corrective actions were taken.

SEXUAL HARASSMENT

Pacifico Renewables has a zero-tolerance approach toward sexual harassment and expects all employees to refrain from any sexual harassment toward other employees and any other people they may interact within the workplace or a work context. To achieve this, employees shall never act in a way that could be considered offensive, intimidating, or inappropriate in the workplace. Furthermore, Pacifico Renewables expects its employees to be mindful of how others might perceive actions and comments and to adjust their behavior accordingly. No cases of sexual harassment were recorded in the Reporting Period and therefore, no corrective actions were taken.

¹⁹ Incidents of discrimination are defined as any occurrences that were brought to the attention of the Management Board which would be considered a form of discrimination. Discrimination is defined as discrimination against any person based upon their race, color, sex, language, religion, political or other opinion, national or social origin, birth, or other status.

7.2.3. EMPLOYEE WELL-BEING

GRI 2-7 | GRI 2-8 | GRI 3-3 | GRI 401-1 | GRI 404-3

OUR 2021 ACHIEVEMENTS



Institutionalize a formal
Training & Education Program



Conduct a first
Employee Satisfaction Survey



OUR 2022+ TARGETS



Formalize a
Flexible Workplace Guideline



100% of employees complete the
Annual Employee Engagement Survey



Develop an
Employee Benefit Program

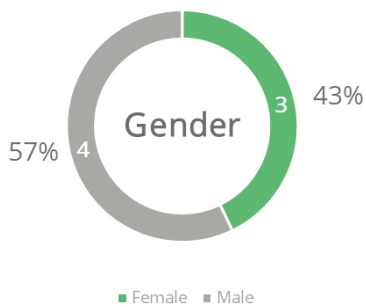
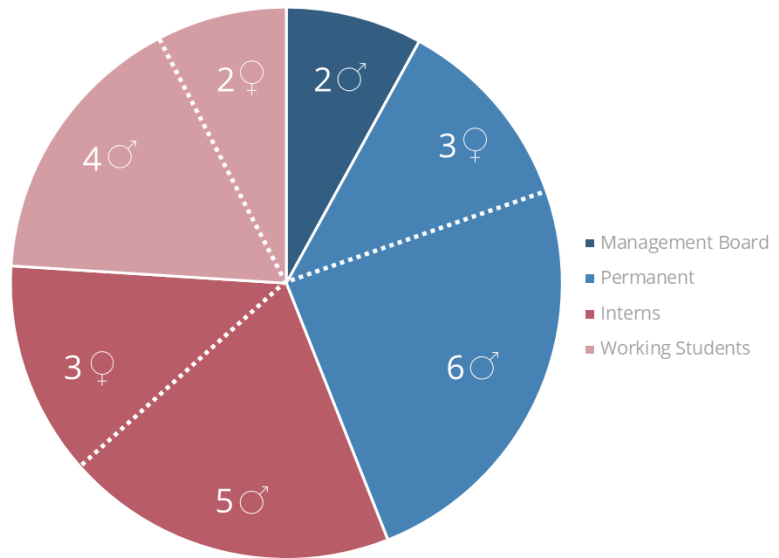
Pacifico Renewables considers the well-being of its employees to be a crucial factor for the long-term success of the Group by developing human capital and long-lasting trust-based relationships between the Group and its employees. For an employee to be productive at work their individual health and welfare are central. Hence, the Group encourages flexible working conditions adapted to the employee where possible.

Furthermore, Pacifico Renewables offers all employees meal allowance vouchers when eating at the office. The relationship and responsibilities between the Group's management board and its employees are set out in the Group's Code of Conduct. The Management Board is committed to informing the Group's employees about significant changes in the business in a timely manner and to providing the Group's employees with transparency by including them in decision-making processes.

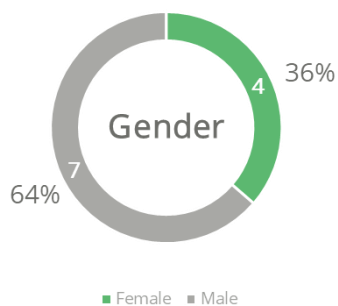
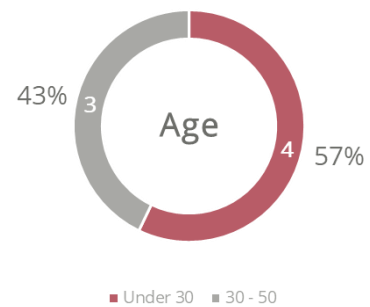
The Group's Code of Conduct, combined with the Group's values, sets out the Group's culture and accepted norms of behavior as well as potential sanctions should employees breach these norms of behavior.

EMPLOYEE STATISTICS 2021²⁰

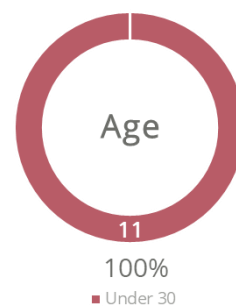
Total Number of Employees: 25



New Permanent Employees: 7



New Temporary Employees: 11



²⁰ All employees are located in Germany.

DEALING WITH A GLOBAL PANDEMIC: COVID-19

The COVID-19 pandemic affects every area of life and health worldwide. Although the collegial and friendly cooperative work environment and the sense of community in the office are very pronounced in the Group, the health, and safety of its employees is Pacifico Renewables' top priority. Since the beginning of the pandemic in 2020, the Group has proven highly flexible when changing the workplace from office to remote working and back again. Even after the situation has been eased, the Group's employees are entitled to work from home at any time if they wish so. To guarantee an optimal level of safety and support the containment of the pandemic, a range of protective measures were implemented in the office. Additionally, Pacifico Renewables' ordinary as well as extraordinary general meetings were held virtually.

PART-TIME & TEMPORARY EMPLOYEES

Pacifico Renewables aims to develop top talent for the long term and build trust-based employee relationships. Nonetheless, building on multiple forms of diversity, it encourages young professionals in pursuing their careers and offers part-time and temporary employment to team members still enrolled in their studies.

GOAL & PERFORMANCE MANAGEMENT

Growing a well-functioning and dynamic team starts with hiring the right people and ensuring that they can continuously grow and develop. Therefore, the Group is convinced that it is necessary to provide employees with learning and development opportunities, which will be laid out in the following section, as well as frequent feedback and a structured goal and performance management system.

For 2022, Pacifico Renewables aims to perform annual and semi-annual feedback and performance review cycle which includes a self-assessment, peer-to-peer feedback, upward feedback to supervisors, and one-on-ones with supervisors. Additionally, supervisors will carry out frequent performance reviews on a one-on-one basis with their employees.

Furthermore, the Group aims to provide temporary employees with regular feedback to increase their performance and to offer them development opportunities. Hence, for 2022, the Group aims to conduct mid-term as well as exit reviews with the supervisor for all temporary employees, independently of the employment duration. To complement regular individual goal and performance management reviews and implement and execute the Group's strategy at all levels, the goal management at Group-level and team levels is based on a Group-wide goal-setting system based on the Objectives and Key Results (OKRs) framework.

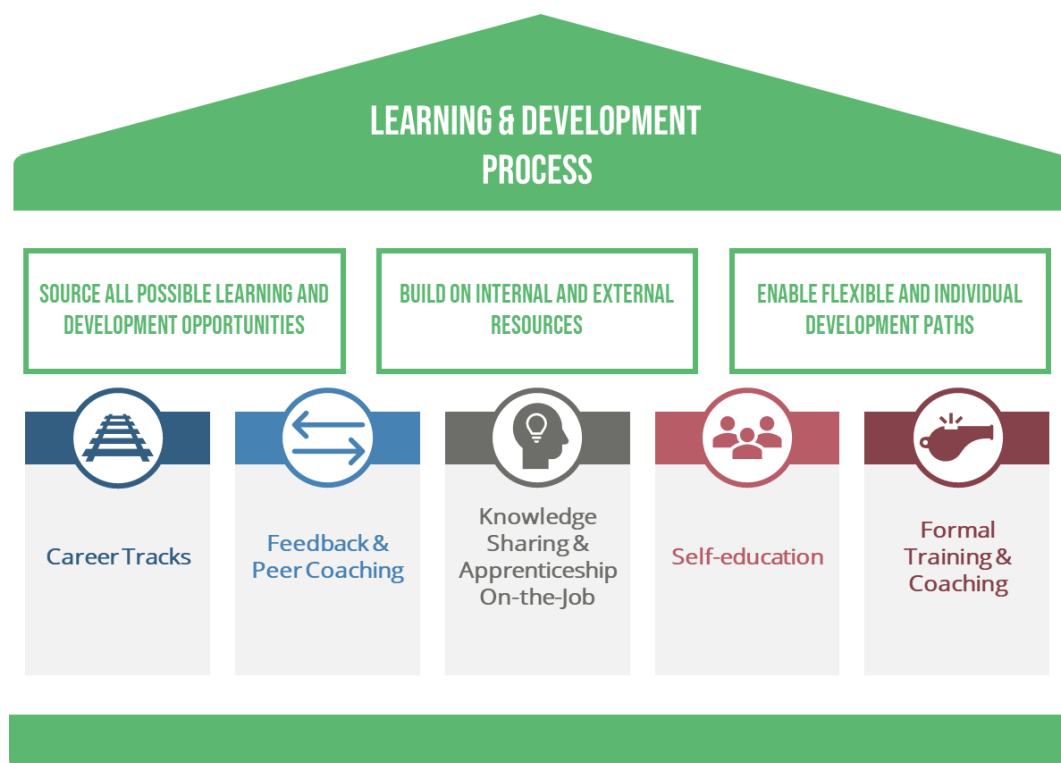
LEARNING AND DEVELOPMENT

Apart from hiring and developing talent through internships and working student contracts, Pacifico Renewables is committed to providing the right culture and environment for the organization as a whole and all individuals within it to learn and grow and offering learning and development opportunities to all its employees.

The Group's overall goal is to source all possible learning and development opportunities. Therefore, in this Reporting Period, the Group developed and introduced a formal learning and development process ("**L&D Process**"). The L&D Process was developed with the objective to create broad opportunities for employees to improve and educate themselves building on internal and external sources and enabling flexible and individual development paths.

The L&D Process applies to all permanent, full-time, or part-time, employees of the company and partially to employees with temporary/short-term contracts.

The Group believes that having employees who are encouraged to work toward their individual self-actualization, who are satisfied with their personal and professional development, and who are offered a variety of learning and development sources, has various benefits for the team, the company as well as its stakeholders and will improve overall performance and provide a competitive advantage to the Group on the long-term.



7.2.4. SOCIAL MANAGEMENT

GRI 2-16 | GRI 2-24 | GRI 2-25 | GRI 2-26 | GRI 2-27 | GRI 3-3 | GRI 205-3 | GRI 415-1 | GRI 419-1

OUR 2021 ACHIEVEMENTS



Develop a
Social Management System



100% of the group's employees to
complete a newly conceptualized
Pacífico Code of Conduct Training



100% of the group's employees to
complete a newly conceptualized
Pacífico Capital Markets Training



100% of the group's employees to
complete a newly conceptualized
Pacífico Anti-Corruption Training



OUR 2022+ TARGETS



100% of the Group's employees
to complete the
Compliance Training
(code of conduct, anti-corruption
& capital markets guideline)



100% of the Group's employees
to complete the
Social Management System Training

As part of Pacífico Renewables' governance and compliance structure, the Group has developed and introduced a Code of Conduct and several policies and guidelines which aim to assure compliance with laws and regulations. While the Code of Conduct lays out the foundation of Pacífico Renewables' values and ethics, the individual policies and guidelines contain more concrete instructions on how to act in certain situations. Pacífico Renewables has introduced a capital markets guideline ("**Capital Markets Guideline**"), which extensively lays out how to comply with capital markets laws, an anti-corruption guideline ("**Anti-Corruption Guideline**"), which summarizes how the Group ensures corruption does not occur within the Group or in the Group's dealings with third parties, and a Partner Code of Conduct, which describes the Group's expectation toward its partners (see **7.3.1 Sustainability in the Value Chain**).

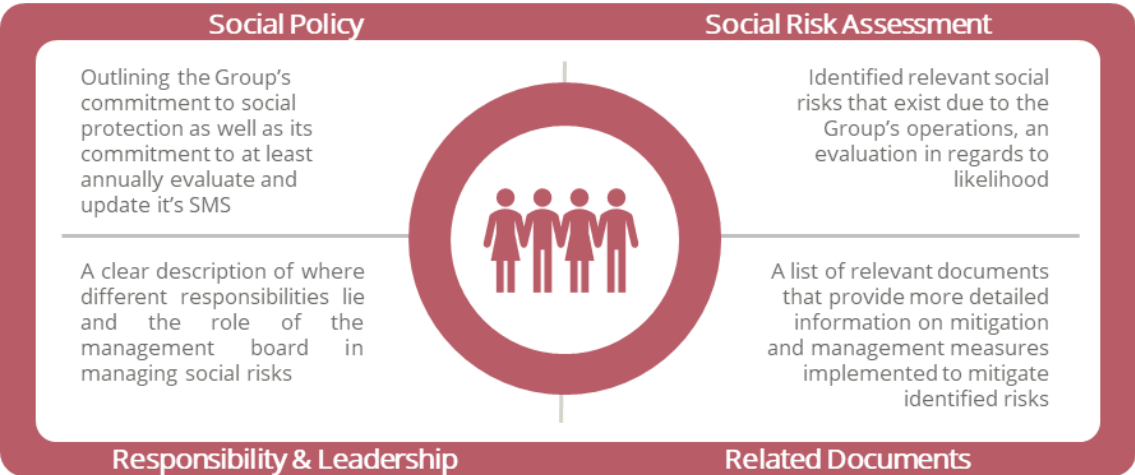
To enable employees to report breaches of any policies and guidelines as well as existing laws and regulations in the jurisdictions that Pacífico Renewables operates in, the Group has introduced a whistleblower program. The whistleblower program lets employees report such breaches through three different routes. Firstly, an anonymous whistleblower tool is provided which allows for an anonymous message to the Group's compliance officer. Secondly, employees may report breaches directly to the Management Board. Thirdly, in case of transgressions of the Management Board employees may make their report through the compliance officer directly to the Supervisory Board.

SOCIAL MANAGEMENT SYSTEM

Pacifico Renewables has met its target for 2021 to develop and implement a social management system (“SMS”). At the center of the SMS lies Pacifico Renewables’ social policy, as well as the Group’s social risk assessment. Furthermore, the SMS includes responsibility and leadership sections as well as an overview of processes, procedures, guidelines, and work instructions that make up the SMS under the related documents section.

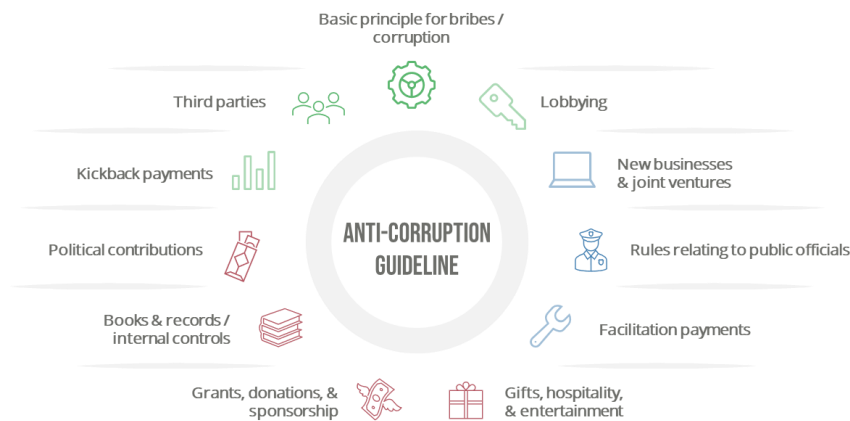
Pacifico Renewables will continuously work toward improving, and where necessary adjusting the SMS, including an at least annual review and update of the social risk assessment to ensure all relevant risks are identified and, where possible, mitigated.

To raise awareness of and ensure compliance with the SMS the Group has set itself the target that 100% of employees will receive the social management system training in 2022 and annually afterward. Furthermore, the Group will introduce the social management system training into its onboarding process for new employees to ensure that all employees are aware of it from the very beginning.



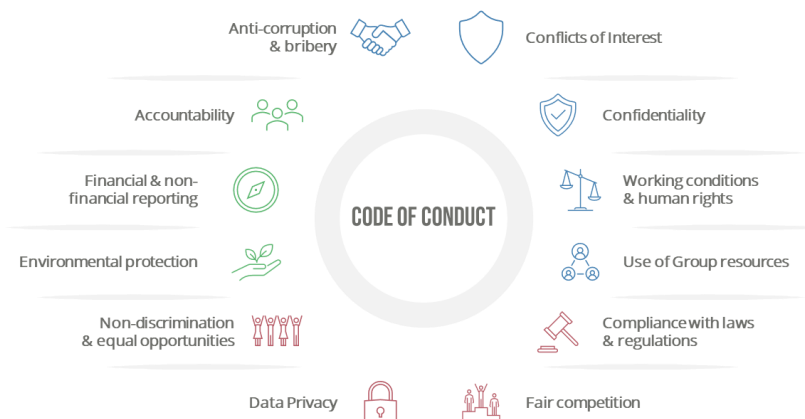
ANTI-CORRUPTION

Pacifico Renewables takes the issue of corruption very seriously and is committed to contributing to the fight against corruption. The Group has introduced an Anti-Corruption Guideline to clearly emphasize different risks in regards both to criminal corruption and business practices that will not be sanctioned criminally but which constitute unacceptable business behavior for employees of Pacifico Renewables. The aim of this guideline is to provide a set of minimum standards which must be adhered to by all Pacifico Renewables employees and to illustrate practical examples of illegitimate and problematic behavior. The Anti-Corruption Guideline instructs employees on how to address these different issues. In 2021, no incidents of corruption were recorded at Pacifico Renewables.



CODE OF CONDUCT

Pacifico Renewables holds itself in high ethical regard and is committed to operating with integrity and in good faith. The purpose of the Code of Conduct is to lay out the basic principles that the Group is committed to and expects its employees to adhere to.



CAPITAL MARKETS GUIDELINE

As a company listed on the open market of the Dusseldorf Stock Exchange with additional requirements (Primärmarkt), Pacifico Renewables is subject to strict disclosure regimes and confidentiality obligations regarding insider information. The Capital Markets Guideline lays out how employees of Pacifico Renewables and third parties of the Group should treat confidential and insider information, trading the Group's stock, and what specific regulations the Group has put in place to ensure lawful conduct.



SOCIOECONOMIC COMPLIANCE

In the Reporting Period, the Group has not identified any non-compliance with laws and regulations and has not received any monetary or non-monetary fines. Furthermore, no breaches of any guidelines or policies were reported through the Group's whistleblower program.

7.3. BEING A RESPONSIBLE RENEWABLE ENERGY PLATFORM











GRI 3-3

This pillar includes the material topic Sustainability in the Value Chain and provides an overview of Pacifico Renewables' current and future cooperation with its development partners – Pacifico Partners, Boom Power, WIRTH Gruppe, and ACE Power.

2021 TARGETS DELIVERY

Material Topic	Target	Delivery	UN SDG
Sustainability in the Value Chain	Introduce a partner code of conduct for the Group's development partners		
Sustainability in the Value Chain	Conduct a supply chain analysis with regards to social and environmental factors		

2022+ TARGETS

Material Topic	Target	Target Date	Status	UN SDG
Sustainability in the Value Chain	Conduct Partner Sustainability Workshop with at least two development partners	2022		  
Sustainability in the Value Chain	Develop a supply chain management system	2022		  

This report will present the pillar-specific material topics in the following subsections, including respective goals, the Group's management approach toward each material topic and initiatives implemented to address potential sustainability-related impacts.



PACIFICO RENEWABLES KEY PARTNERS



Pacifico Renewables has entered into a right of first offer agreement with Boom Power, a solar park and energy storage developer based in the United Kingdom.

The partnership grants Pacifico Renewables priority access to Boom Power's pipeline of currently more than 1.5 GW of utility scale solar and battery storage assets in the United Kingdom being developed by an experienced team of industry experts, who have collectively developed and constructed over 1 GW of solar energy internationally. The first solar park developed by Boom Power in the United Kingdom is expected to be connected to the grid in 2022.



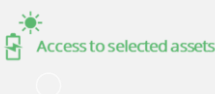
Pacifico Renewables has entered into a right of first offer agreement with ACE Power, a renewable energy project developer based in Australia.

The partnership grants Pacifico priority access to ACE Power's pipeline of more than 1 GW in Australia. The current pipeline of ACE Power mainly comprises nine large-scale solar projects across Australia. Each project is intended to be co-located with battery storage facilities. The first project is set to be completed in 2024.



Pacifico Renewables has entered into a right of first offer agreement with Pacifico Partners, a privately held development, brokerage and asset management company focusing on solar and onshore wind parks ranging from 1 to 150 MW throughout Europe and project developments in every project stage, in place.

The partnership with Pacifico Partners, notably the Group's first partner, was key to growing the Group's portfolio to the current size. The Group's partnership with Pacifico Partners goes beyond the right of first offer agreement and additionally includes asset management and brokerage services. Based on a successful mutual history, both parties have recently agreed to refine and prolong their partnership by amending and prolonging the asset management and right of first offer agreements until 2029.



Through a contribution in kind the two managing shareholders of WIRTH GRUPPE, Markus and Andreas Wirth, became strategic shareholders and long-term partners of the Group in July 2021. Together with their team, the Wirth brothers have developed and built solar plants and large battery storage systems internationally with an installed capacity of more than 2 GW. Through this partnership the Group wins two pioneers of the German solar industry as strategic shareholders¹.

There is no right of first offer agreement in place between Pacifico Renewables and WIRTH GRUPPE but a declaration of intent for a long-term partnership. The development activities of the WIRTH GRUPPE, as well as the existing portfolio of the Wirth brothers, are intended to provide the Group with the opportunity to further expand its portfolio through the acquisition of construction-ready and operational solar plants in Germany and abroad.

7.3.1. SUSTAINABILITY IN THE VALUE CHAIN

GRI 2-6 | GRI 3-3 | GRI 414-1

OUR 2021 ACHIEVEMENTS



Introduce a
Partner Code Of Conduct



Conduct a
Supply Chain Analysis
in regard to social and environmental factors



OUR 2022+ TARGETS



Conduct
Partner Sustainability Workshops
with at least two development partners



Develop a
Supply Chain Management System

Pacifico Renewables is dedicated to a value chain management that takes into account the impact on the environment and local stakeholders at every step of the value chain. Pacifico Renewables' business model as a producer of energy from 100% renewable sources relies heavily on external partners for the development and construction of the renewable energy plants.

However, Pacifico Renewables is cognizant of the impact it may have along the value chain, even if not all parts of the value chain may be in its remit of influence. Pacifico Renewables can have an impact on the development and construction phases of the Group's renewable energy plants which are part of its development pipeline with its key partners.

SUPPLY CHAIN ANALYSIS

Pacifico Renewables has achieved its target to conduct a supply chain analysis regarding social and environmental factors. This has been done by separately analyzing the supply chain of solar PV and wind plants. Areas that have been investigated include raw materials, which have been assessed both with regards to the working standards of the main raw materials required in the manufacturing of key components for solar PV and wind plants as well as the environmental track record of mining firms responsible for mining these materials.

Furthermore, the raw material processing and component manufacturing has been thoroughly analyzed regarding social and environmental factors, with a deep dive into the working and human rights conditions at major PV module, wafer, and polysilicon manufacturers.

In addition, the social conditions and environmental concerns in the installation and construction phase of solar PV and onshore wind have been assessed.

Lastly, social and environmental concerns in the dismantling phase have been assessed with a deep dive into the recycling and reuse of key components and their raw materials.

This analysis has been consolidated into a report, the “Pacifico Renewables Supply Chain Analysis” which is accompanied by the “Pacifico Renewables Supply Chain Risk Assessment” which lists all relevant risks identified through the supply chain analysis, including a matrix of exposure and impacts, existing mitigation measures and potential mitigation measures.

SUPPLY CHAIN MANAGEMENT

Based on the supply chain analysis, Pacifico Renewables has set itself the target to develop a formal supply chain management system this year to ensure relevant supply chain risks are addressed and corresponding mitigation measures are introduced and continuously improved.

Pacifico Renewables has implemented a component blacklist for future acquisitions of solar and onshore wind plants. The Group is committed to excluding any renewable energy plants that include components manufactured by companies listed on this blacklist from future acquisitions.

Currently, the blacklist is based upon an assessment of manufacturers that engage in the production of unsustainable or harmful products such as nuclear or cluster weapons.

8. GRI INDEX

Statement of use	Pacífico Renewables Yield AG has reported in accordance with the GRI Standards for the period 01.01.2021 to 20.05.2022
GRI 1 used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Link to & Location of Disclosure	Omission
General Disclosures				
GRI 2: General Disclosures 2021	2-1	Organizational Details	2. About this Report 3.1 Group Overview Imprint & Contact Information	
	2-2	Entities included in the organization's sustainability reporting	2. About this Report Annual Report: "5.3.2 Group of Consolidated Companies", p. 87 <i>No differences between entities included in the Group's sustainability reporting and financial reporting</i>	
	2-3	Reporting period, frequency, and contact point	2. About this Report <i>No differences between Reporting Period of the Group's sustainability reporting and financial reporting</i> Imprint & Contact Information	
	2-4	Restatements of information	2. About this Report	
	2-5	External Assurance	<i>The report has not been externally assured</i>	
	2-6	Activities, value chain and other business relationships	3.1 Group Overview 7.3.1 Sustainability in the Value Chain <i>Pacífico Renewables has entered two new partnerships with project developers – ACE Power and the WIRTH Gruppe</i>	
	2-7	Employees	7.2.3 Employee Well-Being²¹	
	2-8	Workers who are not employees	7.2.3 Employee Well-Being	
	2-9	Governance Structure and composition	4.1 Governance Structure 4.2 Supervisory Board Annual report: "2. Report of the Supervisory Board", p. 5-10 Annual Report: "5.5.9. Other Mandatory Disclosures", p. 135-136	
	2-10	Nomination and selection of the highest governance body	4.1 Governance Structure	
	2-11	Chair of the highest governance body	4.2 Supervisory Board	
	2-12	Role of the highest governance body in overseeing the management of impacts	4.1 Governance Structure 5. Stakeholder Engagement	
	2-13	Delegation of responsibility for managing impacts	4.1 Governance Structure	
	2-14	Role of the highest governance body in sustainability reporting	2. About this Report 4.1 Governance Structure	
	2-15	Conflicts of interest	4.1 Governance Structure	
	2-16	Communication of critical concerns	7.2.4 Social Management	

²¹ Employee Turnover: 17.6% (Under 30: 22.22%; Male: 26.09%)

GRI Standard		Disclosure	Link to & Location of Disclosure	Omission
General Disclosures				
	2-17	Collective knowledge of the highest governance body		Information unavailable
	2-18	Evaluation of the performance of the highest governance body		Information unavailable
	2-19	Remuneration policies		Information unavailable
	2-20	Process to determine remuneration	4.1 Governance Structure	
	2-21	Annual total compensation ratio		Information unavailable
	2-22	Statement on sustainable development strategy	1. Letter from the Management Board	
	2-23	Policy commitments	3.2 Values 3.3 Commitments	
	2-24	Embedding policy commitments	7.2.4 Social Management	
	2-25	Processes to remediate negative impacts	7.2.4 Social Management	
	2-26	Mechanisms for seeking advice and raising concerns	7.2.4 Social Management	
	2-27	Compliance with laws and regulations	7.1.3 Environmental Management 7.2.4 Social Management	
	2-28	Membership associations	<i>The Group does not significantly participate in any associations</i>	
	2-29	Approach to stakeholder engagement	5. Stakeholder Engagement 6. Materiality	
	2-30	Collective Bargaining Agreements		Information unavailable
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	6. Materiality	
	3-2	List of material topics	2. About this Report 6. Materiality	

GRI Standard		Disclosure	Link to & Location of Disclosure	Omission
Topic-Specific Disclosures				
Biodiversity				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.1.1 Biodiversity	
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	7.1.1 Biodiversity	
Community Relations				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.2.1 Community Relations	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	7.2.1 Community Relations	Information unavailable
Diversity & Non-Discrimination				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.2.2 Diversity and Non-Discrimination	
GRI 405: Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.2 Supervisory Board 7.2.2 Diversity and Non-Discrimination	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	7.2.2 Diversity and Non-Discrimination	
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.1.2 Emissions	
GRI 305: Emissions 206	305-1	Direct (Scope 1) GHG emissions	7.1.2 Emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	7.1.2 Emissions	
	305-3	Other indirect (Scope 3) GHG emissions	7.1.2 Emissions	
	305-4	GHG emissions intensity	7.1.2 Emissions	
Employee Well-Being				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.2.3 Employee Well-Being	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	7.2.3 Employee Well-Being	
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	7.2.3 Employee Well-Being	

GRI Standard		Disclosure	Link to & Location of Disclosure	Omission
Environmental Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.1.3 Environmental Management	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	7.1.3 Environmental Management	
Renewable Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.1.4 Renewable Energy	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	7.1.4 Renewable Energy	
	302-3	Energy intensity	7.1.4 Renewable Energy	
Social Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.2.4 Social Management	
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	7.2.4 Social Management	
GRI 415: Public Policy 2016	415-1	Political contributions	7.2.4 Social Management	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	7.2.4 Social Management	
Sustainability in the Value Chain				
GRI 3: Material Topics 2021	3-3	Management of material topics	7.3.1 Sustainability in the Value Chain	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	7.3.1 Sustainability in the Value Chain	

IMPRINT & CONTACT INFORMATION

GRI 2-1 | GRI 2-3

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PUBLICATION

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FEEDBACK

In the interest of improving and advancing its commitment to sustainability, the Group is delighted to receive feedback or questions regarding this sustainability report and its content via email to the below-mentioned email address. Any questions or inquiries will be addressed by the Group in a timely manner, subject to the scope of the inquiry.

CONTACT

sustainability@pacifico-renewables.com

FURTHER INFORMATION

<https://www.pacifico-renewables.com/de/sustainability/>

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**TOWARD A CLEAN
ENERGY FUTURE.**

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