

Sustainability Report

2022

tion-renewables.com

TION

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ESG Highlights

As of June 2023, Tion Renewables AG received an **ESG Risk Rating of 21.6** from Morningstar Sustainalytics and was assessed to be at medium risk of experiencing material financial impacts from ESG factors.¹



	ESG Key Performance Indicator	Unit	YoY	2022	2021	2020
Environment	Electricity Production	MWh	162%	302,338	115,541 ²	73,214
	Electricity Consumption	MWh	62%	1,031	635	423
	Revenue Energy Intensity	MWh/€m	-20%	30	38	42
	Renewable Consumption Share	%	+16%	91%	75%	65%
	Scope 1	tCO2e	0%	0	0	0
	Scope 2 – Market Based	tCO2e	-53%	66	142	85
	Scope 3 – Total (C6 + C7)	tCO2e	156%	24	9	2
	Total GHG Emissions	tCO2e	-41%	90	151	87
	Carbon Intensity Ratio (S1 + S2 MB)	gCO2e/€	-77%	1.94	8.43	8.47
	GHG Emission Avoidance	tCO2e	237%	181,667	53,967	22,437
People	Total Workforce	#	4%	26	25	7
	Female Share of Employees	%	+10%	42%	32%	14%
	Number of Nationalities	#	0%	11	11	4
Partners	Supplier Screenings	#	N/A	9	0	0
	ESG Workshops	#	N/A	2	0	0

¹ In no event the Sustainability Report 2022 shall be construed as investment advice or expert opinion as defined by the applicable legislation.

² Deviation from figure reported in the Annual Report 2022 stems from the fact that the electricity produced by the Group's disposed Czech assets has been excluded from the Sustainability Report 2022.

ESG Targets Summary

	ESG Target	Target Date	Status	Outcome
Environment	Develop biodiversity standards in cooperation with development partners	2022	<input checked="" type="checkbox"/>	Introduced
	Reduce Emissions to Revenue Ratio by 25% compared to the base year 2020	2023	<input checked="" type="checkbox"/>	-81%
	100% of the Group's employees to complete the Environmental Management System training	2022	<input checked="" type="checkbox"/>	100%
	Increase portfolio to 400 MW	2023	<input type="checkbox"/>	167 MW
	Increase share of renewable energy in energy consumption to at least 75% in a first step	2023	<input checked="" type="checkbox"/>	91%
People	Standardize and offer a pupil internship program	2022	<input checked="" type="checkbox"/>	Introduced
	Develop community outreach standards in cooperation with development partners	2022	<input checked="" type="checkbox"/>	Introduced
	Develop a diversity and awareness training	2022	<input type="checkbox"/>	Outstanding
	100% of employees to complete the annual Employee Engagement Survey	2022	<input checked="" type="checkbox"/>	100%
	Develop an employee benefits program	2022	<input checked="" type="checkbox"/>	Introduced
	Formalize a flexible workplace guideline	2022	<input type="checkbox"/>	Outstanding
	100% of the Group's employees to complete the annual compliance training (Code of Conduct, Anti-Corruption & Capital Markets Guideline)	2022	<input checked="" type="checkbox"/>	100%
	100% of the Group's employees to complete the annual Social Management System training	2022	<input checked="" type="checkbox"/>	100%
Partners	Conduct Partner Sustainability Workshop with at least two development partners	2022	<input checked="" type="checkbox"/>	Introduced
	Develop a Supply Chain Management System	2022	<input checked="" type="checkbox"/>	Introduced

1. Letter from the Management Board

GRI 2-22

Dear Stakeholders,

2022 was another eventful year for us. We acquired a stake in clearvise AG, becoming their largest shareholder, acquired our first Battery Energy Storage System ("BESS") in the United Kingdom, closed our debut green loan, and signed a Power Purchase Agreement ("PPA") in Poland.

Accompanying these developments has been our enduring commitment to be a leader in sustainability and ESG. Recent global challenges – the ongoing Russian war of aggression in Ukraine, the ensuing energy crisis, and the increasing pressure on our climate and natural environment – have underlined how crucial the energy transition is and how companies have a responsibility to conduct their business in a more sustainable fashion and present their approach and performance in a transparent way.

Therefore, we are proud to publish our third Sustainability Report ("Report") and even prouder to share our progress in the past year towards becoming a more sustainable company. As you will have seen at the beginning of this Report, we have seen positive developments across a range of our ESG KPIs. In this letter we want to focus on five of these which we're especially proud of.

Firstly, in 2022 we increased the share of renewable energy in our total energy consumption to 91%, thereby achieving our goal

to increase this ratio to 75% by 2023 both earlier and beyond our own expectations. Furthermore, we decreased our carbon intensity ratio, including Scope 1 and 2 emissions³, to 1.94 gCO₂e/€ which represents a decrease of 77% compared to 2021. Our focus towards reducing our emissions even further remains a priority for us. Moreover, we have increased our avoided greenhouse gas (GHG) emissions by 237% to 181,667 tCO₂e in 2022 compared to the previous year, which roughly equals the emissions emitted by 23,500 German citizens. Additionally, Tion has become more diverse with the share of female employees rising to 42% from 32% in 2021. And lastly, striving to improve our supply chain management we implemented new supplier screenings in 2022 with nine suppliers screened regarding ESG criteria throughout the year.

With this Report, we aim to provide a comprehensive overview of our ESG efforts. It reflects our commitment to transparency, accountability, and sustainable practices with regard to our environment, people, and partners.

We would like to express our gratitude to all our stakeholders for their continued support and collaboration in our pursuit of a more sustainable future! Your feedback on this Report and our efforts is more than welcome, as it enables us to continuously improve and increase our positive impact on the environment in which we operate.

³ Scope 1 emissions: Direct emissions from sources the company controls. Scope 2 emissions: Indirect emissions from purchased electricity or energy sources.

Gruenwald, August 25, 2023



M. Siddiqui

Dr. Martin Siddiqui



C. Strasser

Christoph Strasser

2. Introduction

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2.1. 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.

This Report covers Tion Renewables AG and its subsidiaries ("Tion", or "Group"), a list of which can be found in the Group's [Annual Report 2022](#). 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.

Changes compared to last year's Report

After last year's adoption of the GRI 2021 standards there have been no further substantial changes made with regards to reporting standards that are being followed. The following are a list of other changes made in this Report:

- Under IFRS 5 the Group classified its Czech assets as assets held for sale since January 1, 2022. Therefore this Report excludes these

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 Tion's materiality analysis. The main body of this Report is Tion's 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

All information and activities of the Group included in this Report fall into the period between January 1, 2022, and December 31, 2022 ("Reporting Period"). The Report further incorporates actions taken by the Group until August 24, 2023, the date on which the Report was shared with Tion's Supervisory Board. However, all financial data mentioned and non-financial figures relate to the year 2022 unless explicitly stated otherwise.

assets in line with the consolidation scope of the Group's Annual Report 2022. It should be noted that as a consequence the ESG KPIs have been restated to exclude the Czech assets for 2021 and 2020.

- The Scope 3 Category 6: Business Travel emissions have been restated for 2021 due to a change in methodology.

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 Tion 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.

2.2. About Tion

2.2.1. Group Overview

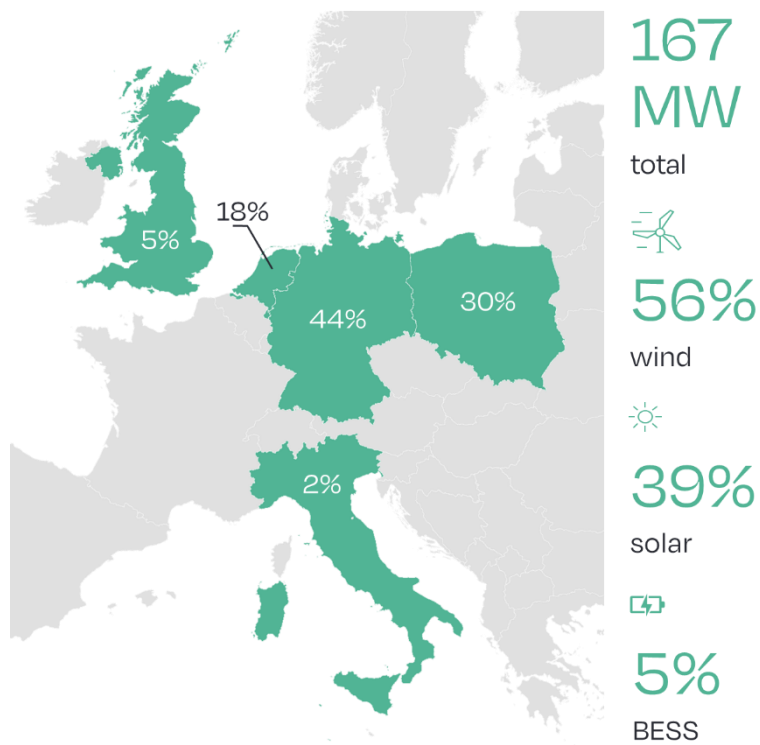
GRI 2-1 | GRI 2-6

Driven by the commitment to accelerating the transition toward a clean energy future, Tion Renewables AG and its subsidiaries ("Tion", or "Group") operates a portfolio of wind and solar power plants across Europe with a capacity of 167 megawatts (MW), holds a stake in the European IPP clearwise AG, and has priority access to a pipeline of more than 5 gigawatts (GW) of wind and solar power plants as well as battery energy storage

Tion's Portfolio

The total capacity of the wind, solar and BESS portfolio was approx. 167 MW at the end of the financial year 2022, with a capacity remaining roughly the same as in the previous year. In terms

of power capacity, the Group's portfolio is diversified by technology (56% wind, 39% solar, 5% BESS) and country (44% Germany, 30% Poland, 18% Netherlands, 5% UK, and 2% Italy)⁴.

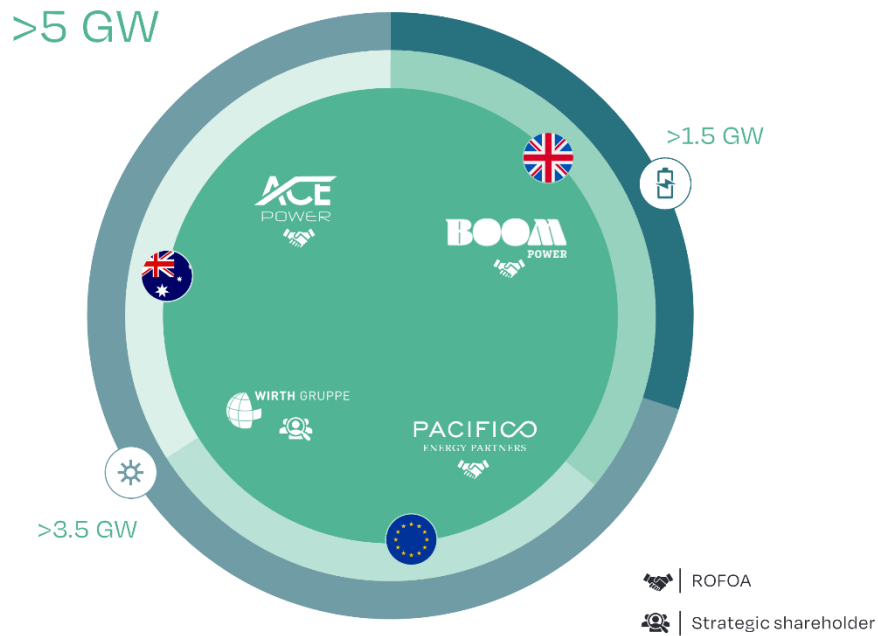


⁴ Total does not equal 100% due to rounding error.

Tion's Pipeline

For the Group, contractually secured priority access to projects developed by the Group's partners is of strategic importance to benefit

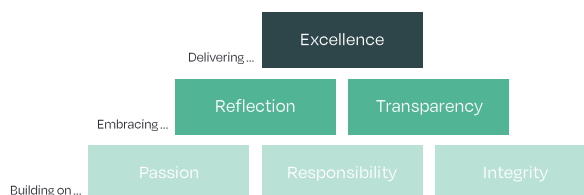
from high visibility on growth opportunities, to selectively acquire projects and to not be dependent on a specific partner.



2.2.2. Values

GRI 2-23

Tion 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



We strive to improve every day in order to deliver excellence. We pursue every challenge with the determination to not only succeed but exceed expectations.

Reflection



We perceive continuous reflection as crucial for progress. Questioning the status quo, assumptions about the future and the Group helps us to make better and more responsible decisions.

Transparency



Transparency forms the cornerstone of how we work together and helps our team to be aligned and work efficiently toward the Group's goals. Transparency is also key in our corporate communication.

Passion



Accelerating the transition toward a clean energy future drives us. This enables us to be ready to learn every day, thereby continuously evolving and surpassing ourselves.

Responsibility



Each member of our team is given a lot of responsibility and feels a strong sense of ownership. We take responsibility for our actions and hold ourselves and each other accountable for any actions and their impact on others and the environment.

Integrity



Without compromise, we hold ourselves accountable to the highest moral standards. We build on honesty, sincerity, and candor when interacting with each other within the Group or with our external stakeholders and society as such.



2.2.3. Commitments

GRI 2-23

Sustainable Development Goals

Tion 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, Tion has identified four core SDGs to which the Group most substantially contributes to. An overview of these four core SDGs is outlined below.

SDG	Contribution
 <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 Tion. Through its growing portfolio of wind and solar plants, and, therefore, increasing consumption of renewable energy at affordable prices, the Group’s contribution towards this goal is continuously growing.</p>
 <p>Promote 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. Tion 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>Take urgent action to combat climate change and its impacts</p>	<p>Tion’s 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 will further reduce the need to burn fossil fuels in the future.</p>
 <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>Together with its partners Tion 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>

Paris Climate Agreement

The Paris Climate Agreement, adopted in 2015, is an international treaty aimed at combatting climate change by limiting global warming to well below 2°C above pre-industrial levels. As an energy transition company, Tion fully supports the goals of the Paris Climate Agreement and actively works towards contributing to its objectives. The Group is committed to reducing greenhouse gas

emissions, promoting renewable energy generation, and fostering sustainable practices in line with the Paris Climate Agreement. Tion’s efforts align with the global community’s ambition to create a more sustainable and resilient future, and the Group is dedicated to playing its part in achieving the Paris Climate Agreement’s targets and transitioning to a low-carbon economy.

European Green Deal

The European Green Deal is a comprehensive policy framework introduced by the European Commission in 2019. It sets out the EU’s strategy

to make Europe the world’s first climate-neutral continent by 2050. The European Green Deal encompasses a wide range of initiatives and

measures across various sectors to transform Europe's economy and society, aiming for sustainable and inclusive growth. Key objectives include reducing greenhouse gas emissions, increasing renewable energy usage, promoting energy efficiency, advancing sustainable agriculture and biodiversity, transitioning to a

circular economy, and addressing social challenges related to the green transition. The European Green Deal also includes plans for sustainable finance, research and innovation, and international cooperation to foster global action on climate change.

2.3. Governance

2.3.1. 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 Tion ensures a management of the Group and its operations that is both efficient and compliant with all relevant laws and regulations. As a German company listed on the Open Market, the governance structure is primarily determined by the German Stock Corporation Act (Aktengesetz). Hence, Tion has a two-tiered governance system in place, consisting of a Management Board and a Supervisory Board who closely cooperate.

The Management Board leads the Group with the objective of generating sustainable value for shareholders while also benefiting 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 Tion's strategic course and ensures its implementation.

The Supervisory Board currently comprises six members (see 2.3.2 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 Annual 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.

Tion's sustainability strategy set by the Management Board is chiefly derived from the Group's Sustainability Framework

(see 3. 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 ESG Team. The ESG Team engages in cross-team dialogues and projects with other teams to ensure sustainability is integrated into the Group's operations and strategy.

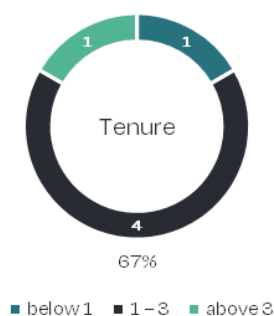
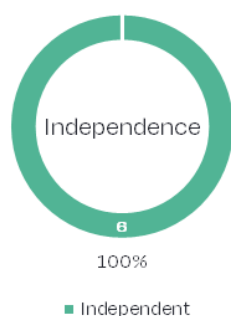
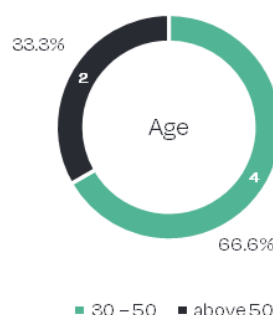
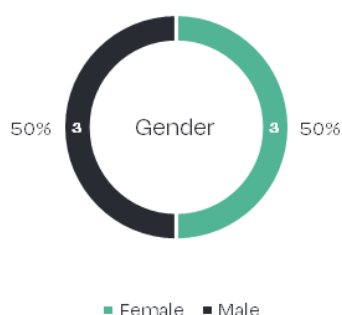
2.3.2. Supervisory & Management Board

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

Supervisory Board

At the end of the Reporting Period, Tion's Supervisory Board had six members, one Chairwoman, one Deputy Chairman, and four additional members. The Supervisory Board has achieved gender parity with three females and three males. Four Supervisory Board members are between thirty and fifty years old and two are

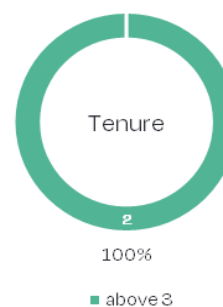
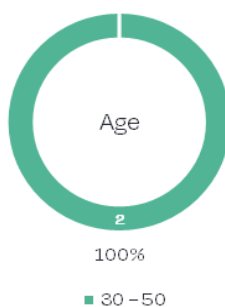
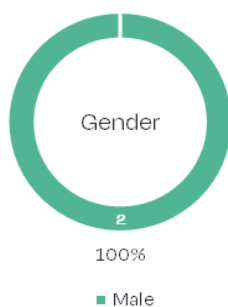
above fifty years old. Six out of six members of the Supervisory Board are independent members. One member has a tenure of above three years, four members have a tenure of between one and three years, and one member has a tenure of below one year. All members of the Supervisory Board are non-executive members.



Management Board

At the end of the Reporting Period, Tion's Management Board had two members, who are both male and between thirty and fifty years old.

They have been in their roles since 2019, therefore, both have a tenure of three to five years.



2.3.3. Risk Management

Compliance Risk Management

To account for the growing size and headcount of the Group, Tion 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 review of the compliance risk analysis was conducted. The analysis identified key compliance risks resulting from the business model and the setting Tion operates in and assesses these risks in a matrix based on impact and probability. To address the risks identified in the updated analysis, the Group has implemented a range of risk mitigation measures and processes. Furthermore, Tion's Compliance Management System is continuously

reassessed and updated, overseen by Tion's Compliance Officer.

To mitigate the risks identified, Tion 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 2.2.2 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 3.3.4 Social Management). Additionally, Tion carries out compliance trainings for its employees to ensure awareness of preparedness for compliance risks.

ESG & Climate Change Risk Management

The Group integrates ESG and climate change risks in its overall risk management approach. The ESG and climate change risk management approach has several pillars that together ensure material risks are addressed and mitigated.

The Group has developed an Environmental Management System (EMS), Social Management System (SMS), and Supply Chain Management System (SCMS). Furthermore, Tion is currently refining its climate change risk management approach and aims to report further progress on the topic in the future.

The management systems are built upon a thorough ESG and climate change risk assessment that not only covers the Group's own operations but it's complete value chain, including the sourcing of relevant materials, the manufacturing

of components, the planning and construction of plants, the operation of plants, as well as the end-of-life management.

Furthermore, the Group has conducted a high-level acute climate change risk assessment for all plants in its portfolio that provides Tion with a risk registry for each plant. In addition, the Group carries out a thorough ESG Due Diligence for potential acquisitions which covers relevant ESG and climate change risks identified as part of the ESG and climate change risk assessment. Since the relevant ESG and climate change risks vary by the technology – onshore wind, solar PV, and BESS – as well as the geographies of its existing portfolio and potential acquisitions, the ESG and climate change risk assessment provides a basis for which ESG and climate change risks to investigate depending on the project specifics.

CASE STUDY: ESG Due Diligence for the BESS Acquisition in 2022

As part of the acquisition process of the BESS in Bacup in 2022 the Group conducted a thorough internal ESG Due Diligence to identify potential red flags and address and mitigate potential risks. The process commenced with the Group deriving the key ESG and climate change risks applicable to a BESS project in the United Kingdom. Based upon this, the Group prepared a questionnaire that was shared internally with the Investment Team of Tion to integrate potential ESG and climate change related questions into the established Q&A process between the seller and Tion.

Tion's ESG Team analyzed the material ESG and climate change risks potentially affecting the BESS in Bacup in collaboration with the Group's Investment Team and the seller. To conduct this analysis, the Group relied both on publicly available risk management tools such as climate change

risk assessment tools and site-specific reports that had been previously prepared by experts, such as flood risk assessments. Furthermore, the Group conducted internal supplier screenings of all relevant involved parties including contractors involved in the construction of the plant and component manufacturers. The supplier screening focused on human rights, compliance with laws and regulations, as well as environmental and social credentials and track records.

Based on the information available, the ESG Team then evaluated each material risk according to its severity and weighed the results against existing mitigation measures. Based on this, Tion created a final ESG Due Diligence report that lists each material risk, its evaluation in the project-specific context and a quantitative assessment.

ESG & Climate Change Risk Assessments

Previously, the Group has as part of the development of its Compliance Management System, Environmental Management System, Social Management System, and Supply Chain Analysis conducted thorough governance, environmental, social, and supply chain risk assessments. However, to improve the Group's ESG and climate change risk management, Tion unified said individual risk assessments into one.

The ESG and climate change risk assessment considers environmental, social, governance, and climate change risks and impacts that are caused by the Group and that affect the Group. Both financial and non-financial risks are included.

To ensure that Tion has an in-depth overview over such risks and impacts caused throughout its value chain, the ESG and climate change risk assessment takes into account the whole supply chain of the Group, including sourcing of raw

materials and manufacturing of plant components, the planning and construction of plants, the operation of the plants and the end-of-life management of the plants.

In addition, the ESG and climate change risk assessment maps risks and impacts against the EU's environmental objectives and identified relevant affected stakeholders of each. Lastly, it evaluates the likelihood and severity of each risk and includes a list of mitigation measures already implemented by the Group as well as providing an overview of further possible mitigation measures to be implemented eventually.

The ESG and climate change risk assessment therefore not only enables the Group to conduct risk management internally but also to gain an understanding of which stakeholders need to be involved to manage risks outside of the Group's direct operational control.

Lastly, the ESG and climate change risk assessment serves as the foundation for the ESG Due Diligence mentioned previously in that for each technology the ESG and climate change risk assessment defines whether a specific risk or

impact applies and if that is the case these risks and impacts are assessed in the respective ESG Due Diligence process for new acquisitions to ensure the ESG Due Diligence covers all relevant risks and impacts.

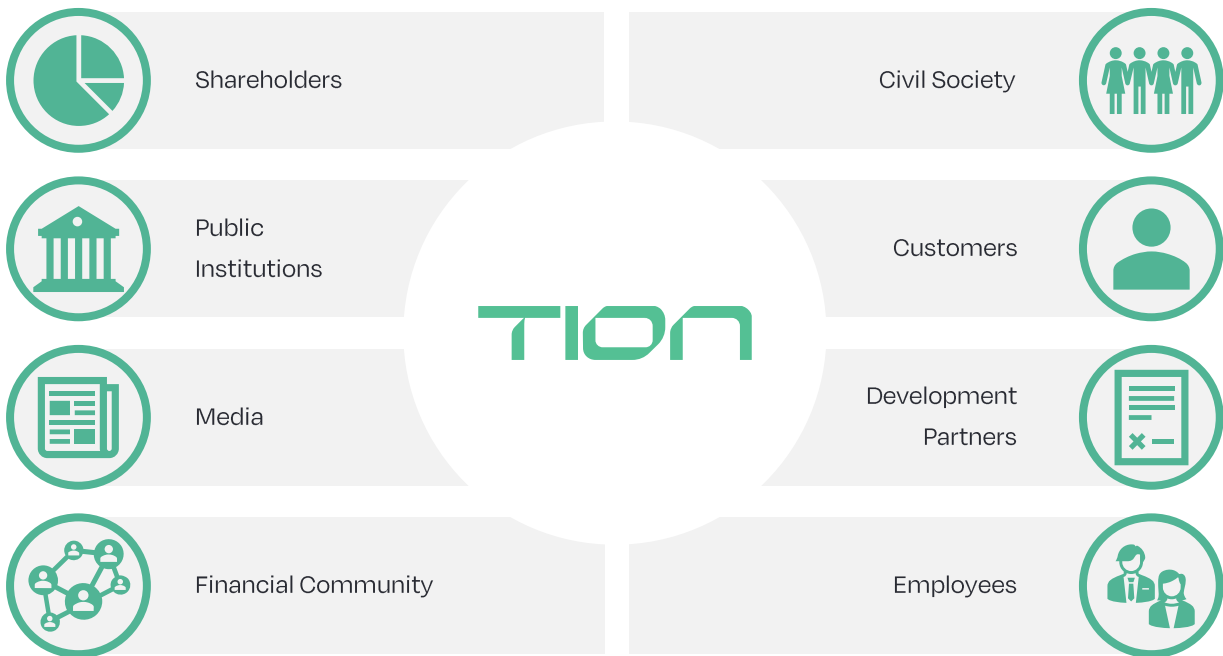
2.4. Stakeholder Engagement

GRI 2-12 | GRI 2-29

Stakeholder Identification

Tion 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, publications, announcements, conferences, social media	Positive and adverse contribution to society	Managing public expectations	Recurring engagement
Customers	Emails, telephone calls, meetings	Electricity markets, macroeconomic environment	Managing customer relations & ensuring healthy customer relationships	Recurring engagement
Development Partners	Emails, 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	Emails, 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, publications, announcements, roadshows, conferences	Financial and non-financial performance, financial resiliency	Managing creditor and lending expectations	Recurring engagement
Media	Website, publications, announcements, conferences, social media, emails, telephone calls, 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, publications, announcements, roadshows, conferences, Annual General Meeting	Financial and non-financial performance, shareholder value	Managing shareholder expectations	Recurring engagement

2.5. Materiality

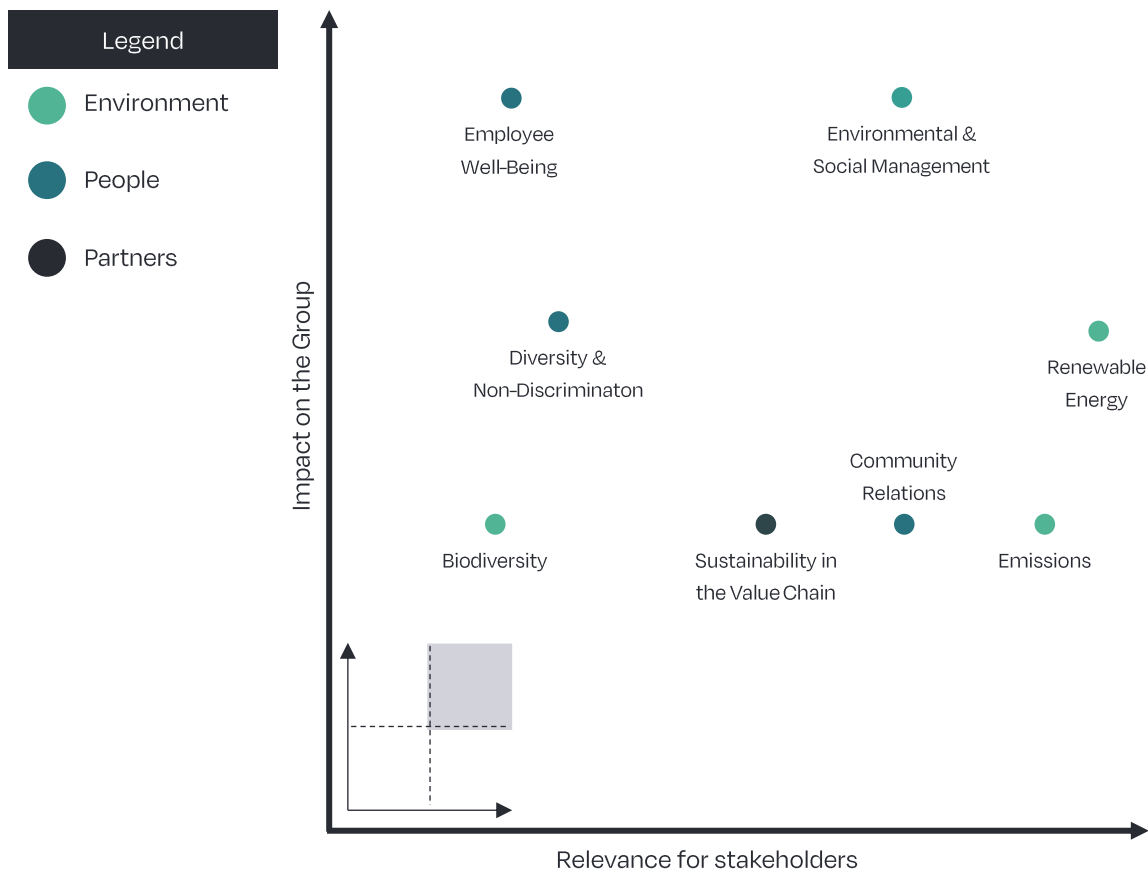
GRI 2-29 | GRI 3-1 | GRI 3-2

In accordance with the requirements and guidance set out in the GRI Standards, the Group regularly conducts materiality assessments to identify its material ESG topics. The materiality assessments consider the relevance of ESG topics both to its stakeholders and to the Group itself. The materiality assessments consist of the following three steps:

1. Regularly assessing and identifying impacts on the environment, people, and partners as part of the Group's day-to-day operations.

2. Engaging in stakeholder dialogue to ensure stakeholder concerns are noted and integrated in the Group's ongoing impacts assessments.
3. 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 company (y-axis) and its stakeholders (x-axis).



2.6. EU Taxonomy

The EU Taxonomy

The EU Taxonomy Regulation is one of the major legislations based on the European Commission's Action Plan to Finance Sustainable Growth in order to support the EU's objective to become climate-neutral by 2050, as enshrined in the European Green Deal. It provides criteria to determine whether an economic activity is environmentally

sustainable. To support the criteria, the EU Taxonomy Regulation has been supplemented with a Climate Delegate Act, which is the list of environmentally sustainable economic activities along with a technical screening and "Do No Significant Harm" (DNSH) criteria.

Relevance to Tion

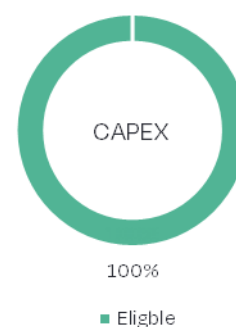
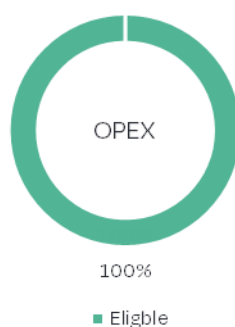
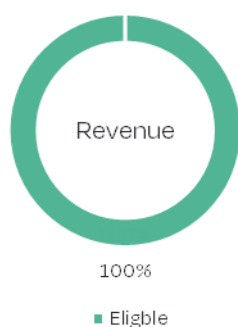
With an aim to accelerate the transition toward a clean energy future, while understanding the complexity and broadness of the process, the EU Taxonomy not only offers the Group a clear

direction to expand its portfolio but also helps it verify the environmental sustainability of its current trajectory.

EU Taxonomy Eligibility

All of the Group's activities are eligible under the EU Taxonomy. In particular, Tion's activities fall under:

- Electricity generation using solar photovoltaic technology
- Electricity generation from wind power
- Storage of electricity



ESG Due Diligence & EU Taxonomy Alignment Assessment

As previously outlined the Group has initiated conducting internal ESG Due Diligence for each acquisition that among other (please

see 2.3.3. Risk Management for further information) includes an EU Taxonomy Alignment Assessment.

Next Steps

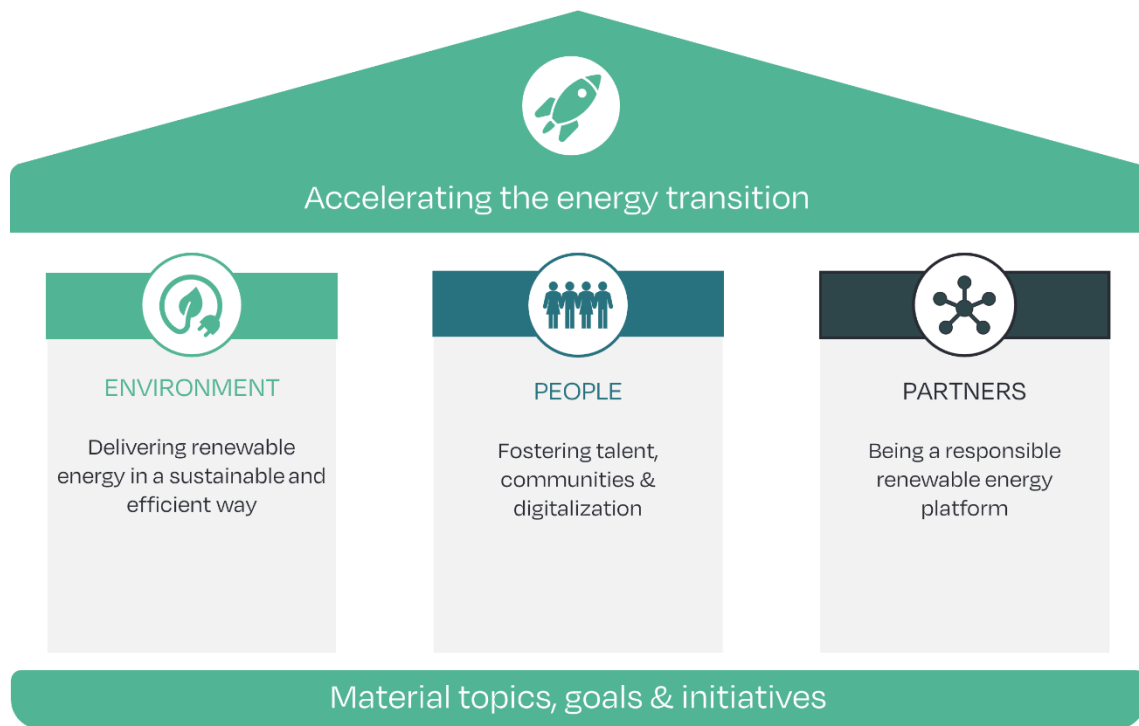
As the Group has already established an EU Taxonomy Alignment Assessment framework as part of its ESG Due Diligence process for new acquisitions, the next step will be to conduct a portfolio EU Taxonomy Alignment Assessment to

ensure that it has an in-depth understanding of the alignment of existing plants in its portfolio. The Group aims to carry out this portfolio assessment over the next years.

3. Sustainability Framework

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3.1. Sustainability Framework Overview



Tion Group considers itself to be a company making use of the full spectrum of opportunities offered by the increasing global efforts to decarbonize our electricity system.

Three main areas were identified, where Tion can have a significant impact from a sustainability perspective – the environment, people, and partners. To address these impacts and correspond 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 objective of expanding renewable electricity generation and expediting the deployment of renewables through the utilization of battery storage to address the intermittent nature of renewable sources. Additionally, it aims to mitigate any potential negative environmental impacts resulting from

Tion's operations, including the use of non-renewable energy for its own plant energy consumption.

The second pillar deals with fostering talent, communities, and digitalization. Tion 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 Tion's employees the opportunity to continuously grow and thrive. In addition, Tion believes that digital tools and applications enable employees to reach their full potential and therefore strives to implement digitalization in all areas of working routines and the Group's operations. Furthermore, Tion 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 Tion. Among the partnerships with stakeholders, the Group's partnerships with project developers are of particular importance. As a potential buyer of newly developed projects, Tion 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. Tion 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 Tion is planning to introduce, and thirdly, initiatives that the Group has implemented or plans to implement to mitigate potential adverse impacts.

3.2. Environment

Delivering Renewable Energy in a Sustainable and Efficient Way

GRI 3-3

Selected Environment KPIs

ESG Key Performance Indicator	Unit	YoY	2022	2021	2020
Electricity Production	MWh	162%	302,338	115,541	73,214
Electricity Consumption	MWh	62%	1,031	635	423
Revenue Energy Intensity	MWh/€m	-20%	30	38	42
Renewable Consumption Share	%	+16%	91%	75%	65%
Scope 1	tCO2e	0%	0	0	0
Scope 2 – Market Based	tCO2e	-53%	66	142	85
Scope 3 – Total (C6 + C7)	tCO2e	156%	24	9	2
Total GHG Emissions	tCO2e	-41%	90	151	87
Carbon Intensity Ratio (S1 + S2 MB)	gCO2e/€	-77%	1.94	8.43	8.47
GHG Emission Avoidance	tCO2e	237%	181,667	53,967	22,437

2022 Targets

ESG Target	Deadline	Status	Outcome
Develop biodiversity standards in cooperation with development partners	2022	☑	Introduced
Reduce Emissions to Revenue Ratio by 25% compared to the base year 2020	2023	☑	-81%
100% of the Group's employees to complete the Environmental Management System training	2022	☑	100%
Increase share of renewable energy in energy consumption to at least 75% in a first step	2023	☑	91%

3.2.1. Biodiversity

GRI 3-3 | GRI 304-2

Tion is committed to the protection of biodiversity and the preservation of natural habitats. The Group has met its target for 2022 to develop 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 they are built on.

Furthermore, as part of the Group's ESG Due Diligence, the biodiversity risks posed by plants Tion considers acquiring are assessed and evaluated. In addition, planned mitigation measures are considered to enable the Group to gain a balanced understanding of the biodiversity

implications that possible acquisitions might cause.

Tion conducted a thorough internal ESG Due Diligence during the acquisition of the BESS in Bacup, United Kingdom. Since the acquisition also represented the Group's first foray into the BESS market, it provided the Group with an enhanced understanding of how BESS affects biodiversity. After an evaluation the Group has concluded that BESS plants comparatively less biodiversity impacts compared to onshore wind and solar PV plants. The BESS, for example, is being built on a site that was previously a parking lot, therefore, the construction of the BESS will not cause material detrimental impacts with regard to biodiversity on the site.

3.2.2. Emissions

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

Tion is committed to reducing its carbon footprint as much as possible. Currently, the Group follows the GHG Protocol to assess its emissions. For 2022 the Group has assessed its Scope 1, Scope 2, Scope 3 Category 6: Business Travel and Scope 3 Category 7: Employee Commuting emissions.

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 3. 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 further Scope 3 emissions to be able to develop reduction strategies and will report further progress on this process in the future.

In 2022 the Group saw a substantial decrease in its assessed emissions from 151.0 tCO₂e in 2021 to 89.6 tCO₂e in 2022, which represents a decrease of 40.7%. This was due to significantly decreased Scope 2 emissions. This decrease can be explained by the Group's active cooperation with its asset management partners to switch its plants' electricity tariffs to 100% renewable energies. These switches have enabled the Group to decrease its Scope 2 emissions from 141.8 tCO₂e in 2021 to 66.0 tCO₂e in 2022.

The significant increase in Scope 3 emissions can largely be explained by the easing of COVID-19 restrictions which meant more of the Group's employees commuted to the office again and at the same time more business travel occurred since more meetings were held in person rather than virtually.

GHG Emissions	Unit	YoY	2022	2021	2020
Scope 1	tCO ₂ e	0.0%	0.0	0.0	0.0
Scope 2 MB	tCO ₂ e	-53.4%	66.0	141.8	84.7
Scope 3	tCO ₂ e	155.5%	23.6	9.2	2.2
Scope 3 – C6: Business Travel ⁵	tCO ₂ e	144.1%	18.1	7.5	2.2
Scope 3 – C7: Employee Commuting ⁵	tCO ₂ e	216.1%	5.5	1.7 ⁶	N/A
Total GHG Emissions	tCO₂e	-40.7%	89.6	151.0	87.0

⁵ Both business travel and employee commuting have been assessed using the distance-based method and include estimations for the whole Group derived from collected representative samples.

⁶ Restated due to change in methodology.

Emission Revenue Intensity (ERI)

To make the Group's emissions more tangible Tion has introduced the ERI which shows how much emissions Tion emits per revenue generated. Hence, it provides a more comprehensive perspective on the development of financial performance relative to emissions by considering the comparison of emitted emissions. This approach goes beyond solely examining total emissions and offers a clearer understanding of the relationship between financial performance and environmental impact.

The Group set itself the target to reduce its ERI (previously called "Emissions to Revenue Ratio"), measured by Scope 1 and market-based ("MB") Scope 2 emissions relative to the Group's revenue, by 25% in 2023 compared to the base year 2020. By 2022 the Group has more than achieved this target by reducing the ERI by 77.1% since 2020 from 8.5 in 2020 to 1.9 in 2022. This development is due to substantially decreasing Scope 2 emissions and increasing revenue at the same time.

Emission Revenue Intensity	Unit	YoY	2022	2021	2020
Emission Revenue Intensity	gCO2e/€	-77.0%	1.9	8.4	8.5

Emission Reduction Initiatives

The Group has taken various measures to reduce its emissions over time. Since the Group currently assesses Scope 1, Scope 2, Scope 3 Category 6: Business Travel and Scope 3 Category 7: Employee Commuting emissions, it has concentrated its efforts on these specific areas.

Since the Group doesn't emit any Scope 1 emissions no reduction measures were taken. For Scope 2 the Group has established a dialogue with its asset management partners to switch Tion's

plants' electricity consumption tariffs to 100% renewables and thereby reduce MB Scope 2 emissions. For Scope 3 Category 6: Business Travel emissions the Group has established a Travel Guideline which ensures that domestic air travel in Germany is reduced to a minimum and that employees consider the environmental implications of flights in other countries. Lastly, Tion is currently evaluating which measures to take to reduce Scope 3 Category 7: Employee Commuting emissions in the future.

3.2.3. Environmental Management

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

Tion managed environmental risks and impacts through its Environmental Management System. At the center of the EMS lies Tion's 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.

Tion continuously works toward improving, and where necessary adjusting the EMS, including at least annually reviewing and updating 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 set itself the target of 100% of employees receiving the Environmental Management System training in 2022. The Group achieved this target with all employees completing the training including an online quiz to test their comprehension. Furthermore, the Group has integrated 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.

3.2.4. Renewable Energy

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

Electricity Production

Tion aims to continuously increase its positive environmental impact by increasing the Group's renewable energy portfolio which enables the Group to increase the amount of renewable energy

it produces and sells. 100% of the 302,338.4 MWh of electricity generated by the Group in 2022 came from renewable energy sources.

Electricity Production	Unit	YoY	2022	2021	2020
Germany	MWh	17.5%	96,818.7	82,381.5	63,911.5
Italy	MWh	-12.1%	4,292.6	4,883.5	5,606.7
Netherlands	MWh	490.5%	27,815.3	4,710.6	3,695.7
Poland	MWh	635.9%	173,411.9	23,565.8	N/A
Total Electricity Production	MWh	161.7%	302,338.4	115,541.4	73,213.9

Total Electricity Consumption

The Group consumed a total of 1,031.0 MWh of electricity in 2022, which represents a 62.3% increase over the previous year. The substantial increase primarily stems from the increase in

Poland which was caused by the fact that the Group's Polish assets were acquired in the last quarter of 2021 and, therefore, their electricity consumption was not fully consolidated for 2021.

Total Electricity Consumption	Unit	YoY	2022	2021	2020
Germany	MWh	9.0%	575.1	527.5	336.9
Italy	MWh	11.8%	87.1	77.9	84.5
Netherlands	MWh	3,780.9%	45.2	1.2	1.8
Poland	MWh	1,030.7%	323.6	28.6	N/A
Total Electricity Consumption	MWh	62.3%	1,031.0	635.2	423.2

Renewable Electricity Consumption

Out of the total 1,031.0 MWh of electricity the Group consumed in 2022, 91.0% came from renewable sources. In 2020 the Group had set itself the target to increase the share of renewable

energy in total electricity consumption to 75% by 2023. Therefore, Tion achieved this target ahead of schedule with 91.0% in 2022.⁷

Renewable Electricity Consumption Share	Unit	YoY	2022	2021	2020
Germany	%	+11.8%	84.3%	72.5%	61.9%
Italy	%	+17.5%	100.0%	82.5%	78.2%
Netherlands	%	-5.7%	94.3%	100.0%	100.0%
Poland	%	-	100.0%	100.0%	N/A
Renewable Electricity Consumption Share	%	+16.0%	91.0%	75.0%	65.3%

Energy Intensity Ratio (EIR)

The EIR measures the energy efficiency of the Group by showing how much electricity is consumed per revenue generated. As the table

below shows, the Group's energy efficiency has increased over time since the EIR has decreased from 42.3 in 2020 to 37.8 in 2021 to 30.3 in 2022.

Energy Intensity Ratio	Unit	YoY	2022	2021	2020
Energy Intensity Ratio	MWh/€m	-19.8%	30.3	37.8	42.3

⁷ Due to the exclusion of the Czech assets from this Report the table suggests that the target was already reached in 2021. However, this was not the case since the Czech assets

last year pulled the Renewable Electricity Consumption Share below 75.0%.

3.3. People

Fostering Talent, Communities & Digitalization

GRI 3-3

Selected People KPIs

ESG Key Performance Indicator	Unit	YoY	2022	2021	2020
Total Employees	#	4%	26	25	7
Female Share of Employees	%	+10%	42%	32%	14%
Number of Nationalities	#	0%	11	11	4

2022 Targets

ESG Target	Deadline	Status	Outcome
Standardize and offer a pupil internship program	2022	<input checked="" type="checkbox"/>	Introduced
Develop community outreach standards in cooperation with development partners	2022	<input checked="" type="checkbox"/>	Introduced
Develop a diversity and awareness training	2022	<input type="checkbox"/>	Outstanding
100% of employees to complete the annual Employee Engagement Survey	2022	<input checked="" type="checkbox"/>	100%
Develop an employee benefits program	2022	<input checked="" type="checkbox"/>	Introduced
Formalize a flexible workplace guideline	2022	<input type="checkbox"/>	Outstanding
100% of the Group's employees to complete the annual compliance training (Code of Conduct, Anti-Corruption & Capital Markets Guideline)	2022	<input checked="" type="checkbox"/>	100%
100% of the Group's employees to complete the annual Social Management System training	2022	<input checked="" type="checkbox"/>	100%

3.3.1. Community Relations

GRI 3-3 | GRI 413-1

Community Relations

Tion 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.

Tion recognizes that onshore wind and solar PV plants as well as BESSs can have a material impact on surrounding communities. Therefore, 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.

Tion has achieved its target for 2022 to implement community engagement standards that outline the Group's commitment to act in accordance

with regulatory requirements and to include community engagement in the Group's ESG Due Diligence, as well as encouragements to the Group's development partners to identify and inform communities of interest during development activities, provide easily accessible communication and grievance channels and to take their concerns, grievances and opinions into account during planning and design decisions.

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. Therefore, the Group will in the future work towards increasing its community engagement activities.

Financial Participation of Local Authorities in Germany

In 2022 the German government updated the Gesetz für den Ausbau erneuerbarer Energien (EEG, in English: "Renewable Energy Sources Act"). As part of this update the government introduced the option for operators of onshore wind and ground-mounted solar PV plants (with have a higher capacity than 1 MW) to let local authorities financially participate in the generation of renewable energy on or near their jurisdictions.

Specifically, operators of onshore wind and ground-mounted solar PV plants can choose to offer local authorities 0.2 Eurocents per kWh of generated electricity. For onshore wind plants this offer can be made to local authorities within a radius of 2,500 m of the respective wind turbines, while for ground-mounted solar PV plants it can be made to local authorities whose jurisdiction the respective plant is built upon.

If local authorities choose to accept the offer by the operators the relevant sum is transferred to them. Each year the operators can get the sum transferred they transfer to local authorities reimbursed by the grid operator, which makes the payment cash-neutral for the operators except for the administrative effort to make the offer to the local authorities and wiring the payments.

Tion welcomes this initiative and possibility to let local stakeholders directly benefit in the energy transition. This will not only increase local acceptance for renewable energies but also improve stakeholder relationships. As of the date of publication of this report on August 25, 2023, the Group is evaluating to make the respective offer to all applicable communities in Germany (connected to the existing portfolio and for all new to come) and is looking forward to enable them to financially benefit from Tion's operations.

Social Engagement

Tion 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 Tion's employees live in. To that end, the Group is working together with two social



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. Their initiative "Sprungbrett Zukunft" promotes internships and

impact organizations – Deutsche Sporthilfe and Lebenshilfe Salzburg – to increase the Group's positive contribution to society. Tion aims to develop long-lasting trust-based relationships with these two organizations.

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, Tion is proud to support this initiative by offering young athletes the opportunity to gain professional experience through short-term internships with flexible working hours to accommodate demanding training schedules.

CASE STUDY: Jakob Gessner

From June to October 2022 Tion welcomed Jakob Gessner, a professional freestyle skier, as an intern. Jakob worked on various projects, including drafting of publications, and conducting market research. Since Jakob left Tion, he successfully



In retrospect Jakob shared the following statement about his time at Tion: "During my time at Pacifico/Tion, I made various new learnings working in a performance-driven team that really made me progress on a business level as well as in

participated in the FISU World University Games 2023 in Lake Placid during January 2023. There he won 1st place in the BigAir competition and came in 4th in the Slopestyle competition.



sports. This initiative is incredibly valuable for athletes who want to pursue a second career besides sports. Thanks a lot for making this possible!"

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.

3.3.2. Diversity & Non-Discrimination

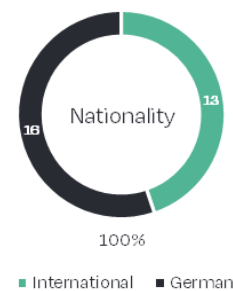
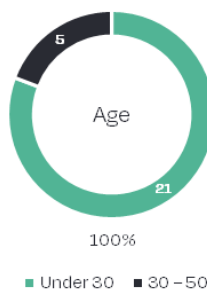
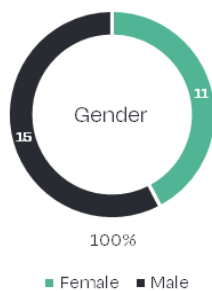
GRI 3-3 | GRI 405-1 | GRI 406-1

Diversity

Tion 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, Tion employed eleven females and fifteen males, resulting in a 42% female share of the total workforce.

It is important to be thoughtful about which forms of multivariate diversity to prioritize going beyond

gender. Tion 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-one employees or 81% under the age of 30 and five employees or 19% between the ages of 30 and 50. In total there were eleven nationalities employed by the Group.



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. Tion 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, gender, 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 Tion.

Non-Discrimination

Tion is committed to creating a working environment in which everyone, irrespective of race, color, sex, gender, language, religion, political or other opinion, national or social origin, birth, or other status, can feel safe, 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. Tion, 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 discrimination reported and therefore, no corrective actions were taken.

Sexual Harassment

Tion 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, Tion 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.

3.3.3. Employee Well-Being

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

Tion 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.

The relationship and responsibilities between the Group's Management Board and its employees are set out in the Group's Code of Conduct. The

Benefits Program

Tion has accomplished its target to develop a benefits program with the primary objective to increase employee satisfaction. The benefits program is designed to align with Tion's culture and values, while catering to the interests of both current and future employees. It is reviewed at least annually, ensuring that it remains relevant and in line with business objectives. The program revolves around five key concepts:

1. International team: Tion fosters a collaborative and diverse work environment with short communication paths, enabling better decision-making and collaborative learning opportunities.
2. Working space and culture: Tion provides modern and ergonomic working spaces and offers employees the flexibility to work in hybrid mode. This approach aims to align with

Pupil Internship Program

Tion has achieved its 2022 target to develop and offer a standardized pupil internship program. The Group recognizes the valuable opportunity that such internships offer to adolescents and young adults, providing them with practical insights into professions and industries while gaining initial work experience. As a dynamic and vibrant

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.

employees' needs and contribute to their productivity and efficiency.

3. Learning and development: Tion prioritizes individual learning and development opportunities, empowering employees to pursue rapid professional and personal growth within a supportive environment.
4. Health and fitness: Tion promotes a healthy lifestyle by subsidizing wellness studio memberships and offering access to a wide range of sports facilities through partnerships. Additionally, healthy snacks and drinks are provided in the office.
5. Sustainable consumer good vouchers: Tion endorses sustainability by partnering with FutureBens to provide vouchers for sustainable brands. This benefit incentivizes employees to make conscious and sustainable consumption choices.

company with a closely-knit team, Tion is committed to fostering the rapid personal and professional growth of young individuals.

The program, tailored for pupils from 11th grade onwards and young adults in a gap year or early semesters of their study program, encompasses

comprehensive standards and guidelines regarding duration, location, structure, supervision, remuneration, holiday leave, and feedback, to ensure a consistent and rewarding experience. Participants have the opportunity to work collaboratively across departments and topics, gaining exposure to various aspects of a public

company and the renewable energy industry. Each intern is assigned a dedicated mentor, or "Buddy", who offers guidance and support throughout the internship, culminating in a final feedback meeting and a Letter of Reference outlining their responsibilities.

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.

In 2022, Tion conducted a comprehensive year-end feedback process that involved all employees. The feedback process included a self-assessment, peer-to-peer feedback, upward feedback to supervisors, and one-on-ones with supervisors.

Learning & Development

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

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.

The Group believes that having employees who are encouraged to work toward their individual self-

3.3.4. 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

As part of Tion's 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 Tion's values and ethics, the individual policies and guidelines contain more concrete instructions on how to act in certain situations. Tion has introduced a Capital Markets Guideline, which extensively lays out how to comply with capital markets laws, an 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 Supplier Code of Conduct, which describes the Group's expectation toward its partners (see 3.4.1 Sustainability in the Value Chain).

Social Management System

Tion's Social Management System is centered around the Group's 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.

Tion will continuously work toward improving and, where necessary, adjusting the SMS, including an at least annual review and update of the social risk

Anti-Corruption Guideline

Tion 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

To enable employees to report breaches of any policies and guidelines as well as existing laws and regulations in the jurisdictions that Tion 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 channel 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.

assessment to ensure all relevant risks are identified and, if possible, mitigated.

To raise awareness of and ensure compliance with the SMS the Group set itself the target that 100% of employees will receive the Social Management System training in 2022, a target which was achieved, and annually afterward. Furthermore, the Group has introduced 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.

unacceptable business behavior for employees of Tion. The aim of this guideline is to provide a set of minimum standards which must be adhered to by all Tion 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 Tion.

Code of Conduct

Tion 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 Duesseldorf Stock Exchange with additional requirements (Primary Market), Tion is subject to strict disclosure regimes and confidentiality obligations regarding insider information. The

Capital Markets Guideline lays out how employees of Tion and third parties of the Group should treat confidential and insider information, trading the Group's shares, 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.

3.4. Partners

Being a Responsible Renewable Energy Platform

GRI 3-3

Selected Partner KPIs

ESG Key Performance Indicator	Unit	YoY	2022	2021	2020
Supplier Screenings	#	N/A	9	0	0
ESG Workshops	#	N/A	2	0	0

2022 Targets

ESG Target	Deadline	Status	Outcome
Conduct Partner Sustainability Workshop with at least two development partners	2022	<input checked="" type="checkbox"/>	2
Develop a Supply Chain Management System	2022	<input checked="" type="checkbox"/>	Introduced

Tion's Partnerships

Pacifico Energy Partners

Tion concluded its first partnership ("PEP ROFOA") with Pacifico Energy Partners GmbH ("Pacifico Partners") and Pacifico Green Development GmbH in the form of a Right of First Offer Agreement. Pacifico Partners is a renewable energy company for wind and solar energy as well as battery and hydrogen technologies that develops greenfield projects, repowers existing plants, and provides

asset management services. Pacifico Partners currently owns a pipeline of projects under development of approx. two GW, of which more than 800 MW are located in Italy. The partnership has been key to growing the Group's portfolio to its current size and extends beyond the initial offering agreement to, for instance, include operational management of wind and solar plants.

BOOM Power

In March 2021, the Group concluded a Right of First Offer Agreement ("Boom ROFOA") with Boom Power Ltd and Boom Developments Ltd ("Boom Power"), a developer of solar plants and BESS based in the United Kingdom ("UK"). The partnership grants the Group priority access to Boom Power's pipeline of solar and BESS projects in the UK, which are being developed by an

experienced team of industry experts who have collectively developed and built more than one gigawatt of solar energy internationally. Under the Boom ROFOA, the Group has the right, but not the obligation, to make the first offer to acquire a renewable energy or energy storage project developed by Boom Power.

ACE Power

In October 2021, the Group entered into a Right of First Offer Agreement ("ACE ROFOA") with ACE Power Development Pty Ltd and ACE Power Operations Pty Ltd ("ACE Power"), a renewable energy project developer based in Australia. Within this partnership, the Group obtains priority access

to ACE Power's project pipeline, consisting primarily of solar plants and BESSs located in Australia. The ACE ROFOA gives the Group the right, but not the obligation, to make the first offer to acquire projects developed by ACE Power once a project is deemed ready for construction.

WIRTH Group

Through a Contribution in Kind ("CiK"), the two managing partners of WIRTH Group, 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 internationally developed and built solar plants with an installed capacity of more than two GW as well as large BESSs. With them, the Group gained two pioneers of the German solar industry as strategic shareholders.

There is no Right of First Offer Agreement between Tion and WIRTH Group, but a declaration of intent for a long-term partnership was signed. The development activities of the WIRTH Group as well as the existing portfolio of the Wirth brothers shall give Tion the opportunity to further expand its portfolio by acquiring ready-to-build solar plants in Germany and abroad.

3.4.1. Sustainability in the Value Chain

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

Tion is dedicated to value chain management that takes into account the impact on the environment and local stakeholders at every step of the value chain. Tion's 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.

Supply Chain Analysis

In 2021, Tion successfully conducted a comprehensive Supply Chain Analysis of onshore wind and solar PV plants, which covered adverse social and environmental impacts occurring in the different phases of the production cycle, including the raw material sourcing, component manufacturing, installation, operation, and dismantling management stages. The findings of the analysis were consolidated in the Tion Supply Chain Analysis Report ("Supply Chain Report"), which formed the basis for the creation of the Tion Supply Chain Risk Assessment ("Supply Chain Risk Assessment"), detailing relevant supply chain risks as well as existing and potential mitigation measures.

During 2022, Tion successfully acquired its first BESS in the United Kingdom. Therefore, it was a natural step for the Group to expand the Supply Chain Report to cover adverse environmental and

Supply Chain Management System

Based on the insights from the Supply Chain Report and the Supply Chain Risk Assessment, Tion has developed a Supply Chain Management System. The SCMS outlines several goals, including adhering to relevant laws and regulations throughout the supply chain, collaborating with development partners on supply-chain related matters, setting objectives to address supply chain risks, communicating supply-chain related measures, and undertaking yearly management

However, Tion 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. Tion 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.

social impacts occurring in the supply chain of BESSs. The analysis included assessing adverse impacts of the sourcing of raw materials required for BESSs, with a specific focus on lithium mining. It also involved evaluating the impact of component manufacturing with regards to social and environmental concerns. Moreover, the installation, operation, and dismantling stages were scrutinized, with particular attention paid to battery recycling and reuse.

The updated Supply Chain Report now encompasses the supply chain of all business operations of the company. In addition, the identified risks associated with the BESSs supply chain were included in the Supply Chain Risk Assessment, which already covered the risks related to the onshore wind and solar PV supply chain.

reviews to support continuous improvement of the SCMS.

Therefore, the SCMS ensures that all identified supply chain risks are addressed, corresponding mitigation measures are implemented, and adverse environmental and social impacts caused in Tion's supply chain are minimized.

As part of the SCMS, Tion maintains a component blacklist and is committed to excluding any renewable energy plants that include components manufactured by companies listed on this blacklist from future acquisitions. The blacklist was created based upon an assessment of manufacturers that engage in the production of unsustainable or harmful products such as nuclear or cluster weapons and is continuously updated.

Furthermore, Tion has implemented supplier screenings. In 2022 Tion conducted nine such screenings whereby relevant suppliers were screened based on environmental, social, human rights, and governance criteria. In addition, the screenings include negative media and controversy screenings to determine whether suppliers align with the Group's values and expectations towards suppliers as outlined in the Group's [Supplier Code of Conduct](#).

04.

Appendix

4.1 GRI Index

Statement of use	Tion Renewables AG (previously: Pacifico Renewables Yield AG) has reported in accordance with the GRI Standards for the period January 1, 2022, to August 24, 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location of Disclosure	Omission
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organizational Details	2.1. About this Report 2.2 About Tion 4.2. Disclaimer, Imprint & Contact Information
	2-2	Entities included in the organization's sustainability reporting	2.1. About this Report Annual Report: "5.5.5 Scope of Consolidation", p. 60 No differences between entities included in the Group's sustainability reporting and financial reporting
	2-3	Reporting period, frequency, and contact point	2.1. About this Report No differences between Reporting Period of the Group's sustainability reporting and financial reporting 4.2. Disclaimer, Imprint & Contact Information
	2-4	Restatements of information	2.1. About this Report
	2-5	External Assurance	The Report has not been externally assured.
	2-6	Activities, value chain and other business relationships	2.2. About Tion 3.4.1 Sustainability in the Value Chain
	2-7	Employees	3.3.3 Employee Well-Being ⁸
	2-8	Workers who are not employees	3.3.3 Employee Well-Being
	2-9	Governance Structure and composition	2.3 Governance Annual report: "2. Report of the Supervisory Board", pp. 5-10 Annual Report: "5.5.12. Other Mandatory Information", pp. 80-99
	2-10	Nomination and selection of the highest governance body	2.3 Governance
	2-11	Chair of the highest governance body	2.3 Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	2.3 Governance 2.4. Stakeholder Engagement
	2-13	Delegation of responsibility for managing impacts	2.3 Governance
	2-14	Role of the highest governance body in sustainability reporting	2.1. About this Report 2.3 Governance
	2-15	Conflicts of interest	2.3 Governance

⁸ Employee turnover: 17.6% (Under 30: 22.22%; male: 26.09%)

GRI Standard	Disclosure	Link to & Location of Disclosure	Omission
General Disclosures			
	2-16	Communication of critical concerns	3.3.4 Social Management
	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	2.3 Governance Structure
	2-21	Annual total compensation ratio	Information unavailable
	2-22	Statement on sustainable development strategy	1. Letter from the Management Board
GRI 2: General Disclosures 2021	2-23	Policy commitments	2.2 About Tion
	2-24	Embedding policy commitments	3.3.4 Social Management
	2-25	Processes to remediate negative impacts	3.3.4 Social Management
	2-26	Mechanisms for seeking advice and raising concerns	3.3.4 Social Management
	2-27	Compliance with laws and regulations	3.2.3 Environmental Management 3.3.4 Social Management
	2-28	Membership associations	The Group does not significantly participate in any associations.
	2-29	Approach to stakeholder engagement	2.4. Stakeholder Engagement 2.5. Materiality
	2-30	Collective Bargaining Agreements	Information unavailable
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	2.5. Materiality
	3-2	List of material topics	2.1. About this Report 2.5. Materiality

GRI Standard		Disclosure	Link to & Location of Disclosure	Omission
Topico-Specific Disclosures				
Biodiversity				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.2.1. Biodiversity	
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	3.2.1. Biodiversity	
Community Relations				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.3.1. Community Relations	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	3.3.1. Community Relations	Information unavailable
Diversity & Non-Discrimination				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.3.2. Diversity and Non-Discrimination	
GRI 405: Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2.3. Governance 3.3.2. Diversity and Non-Discrimination	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	3.3.2. Diversity and Non-Discrimination	
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.2.2. Emissions	
	305-1	Direct (Scope 1) GHG emissions	3.2.2. Emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	3.2.2. Emissions	
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	3.2.2. Emissions	
	305-4	GHG emissions intensity	3.2.2. Emissions	
Employee Well-Being				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.3.3 Employee Well-Being	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	3.3.3 Employee Well-Being	
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	3.3.3 Employee Well-Being	

GRI Standard		Disclosure	Link to & Location of Disclosure	Omission
Topic-Specific Disclosures				
Environmental Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.2.3 Environmental Management	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	3.2.3 Environmental Management	
Renewable Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.2.4 Renewable Energy	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.2.4 Renewable Energy	
	302-3	Energy intensity	3.2.4 Renewable Energy	
Social Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.3.4 Social Management	
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	3.3.4 Social Management	
GRI 415: Public Policy 2016	415-1	Political contributions	3.3.4 Social Management	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	3.3.4 Social Management	
Sustainability in the Value Chain				
GRI 3: Material Topics 2021	3-3	Management of material topics	3.4.1 Sustainability in the Value Chain	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.4.1 Sustainability in the Value Chain	

4.2. Disclaimer, Imprint & Contact Information

GRI 2-1 | GRI 2-3

Tion Disclaimer

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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

info@tion-renewables.com

Further Information

<https://tion-renewables.com/esg/>

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