



**Marguerite**

May 2024

**2023**

# Annual Sustainability Report



## Foreword

In 2023, once again, the world reached record average global temperatures of 1.37 degrees Celsius above preindustrial levels<sup>1</sup>. The alarming consequences of global warming cause dramatic climatic events, silently and slowly destroying habitats and steadily eroding biodiversity.

The public rightly urges governments, regulators and companies to take urgent action to reverse this trend, as global warming can and should be slowed down. We believe the solution should be driven by collectively changing our habits and building technical solutions to eliminate fossil fuels.

### We created Marguerite to be part of the solution to climate change.

With our latest fund Marguerite III, we continued to make investments aligned with the

Paris Agreement, consistent with our long-standing pledge to be a responsible investor.

Our investment activity targets companies that either deliver innovative solutions to curb climate change or deploy known solutions at a sufficient scale to offer a significant positive environmental and/or social impact. This proves that economic growth can align with the most robust ambitions for protecting the environment. It also shows that the infrastructure sector is resilient for a reason: it brings efficient and vital solutions to limit global warming and improve the quality of life.

Our contribution to accelerating the energy transition in 2023 was via investments focused on both the consumption and production sides. With Clever Servizi Energetici, we improve the energy efficiency of buildings. We also increased the share of renewables in the

production and distribution of energy with Nexun and SotySolar, which are focused on solar PV. Rebi combines both energy efficiency and green heat production through its biomass district heating

solutions. By investing in these – and other companies invested in previously – we are proud to create value for our investors while positively impacting communities and the environment.

Sustainability continues to be deeply rooted in our entire investment cycle. In 2023, we recruited a dedicated ESG manager to strengthen our internal capabilities for identifying ways to accelerate our contribution to the decarbonisation of the European economy and support our portfolio companies in their efforts towards net zero. We also intensified the monitoring and reporting of ESG indicators as tools to implement and assess the most efficient ESG

actions at the level of our investments and to better inform our investors of the outstanding contribution made possible by their trust in Marguerite.

### Marguerite pledges to be aligned with a net zero economy in 2050.

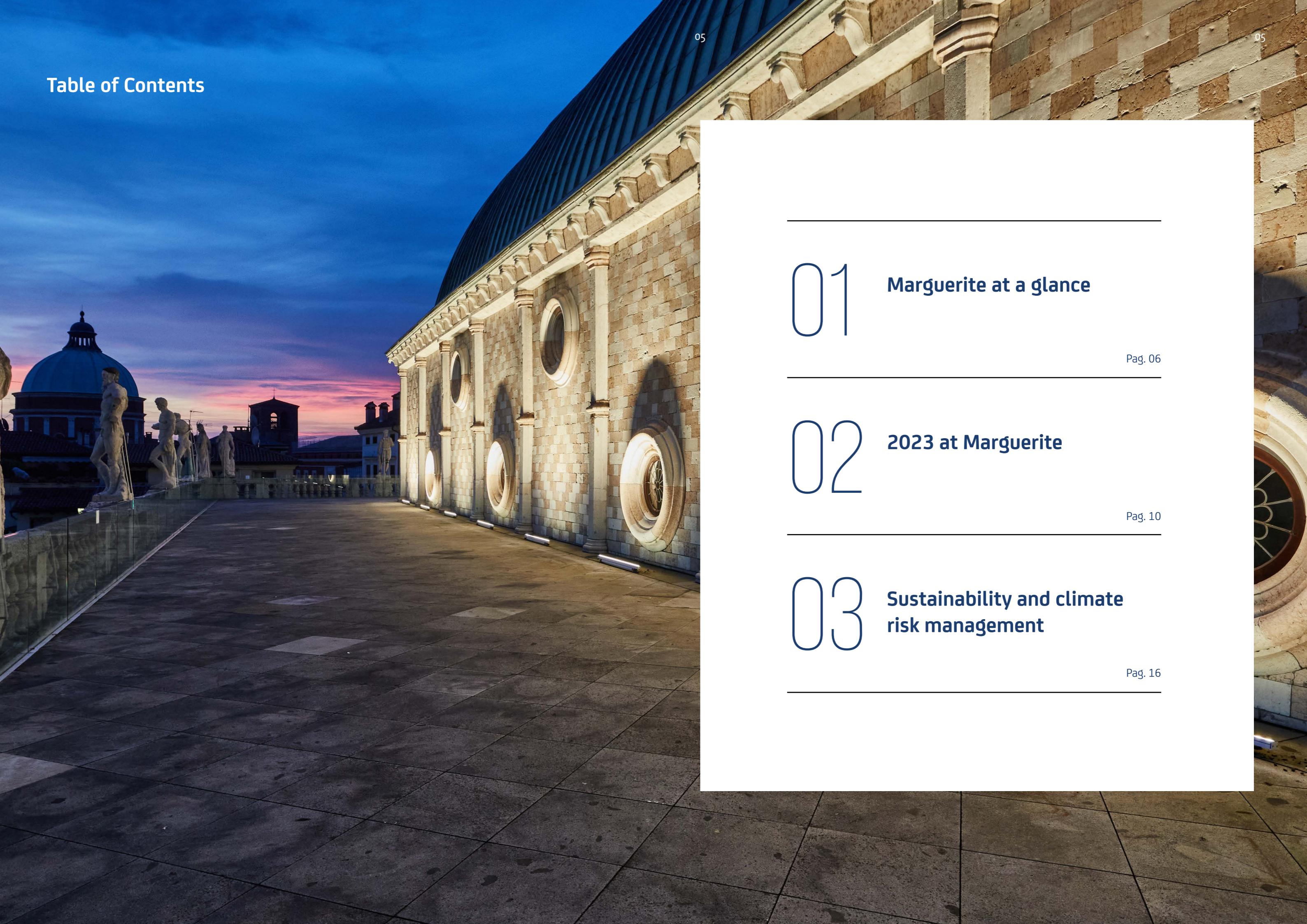
This long-term commitment and strategy is formally taken by joining in 2024 the Net Zero Asset Managers (NZAM) initiative. This annual ESG report, which I have the pleasure of sharing with you, shows how we intend to meet this commitment through our infrastructure investments, which stand the test of time and benefit future generations.

Have a good read,

**Nicolás Merigó**  
CEO of Marguerite

**Sustainability was, is and will remain at the core of our investment decision and asset management practices**





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# Marguerite at a glance

## OUR STORY

Marguerite is an independent pan-European investor in real assets focusing on capital-intensive growth infrastructure.

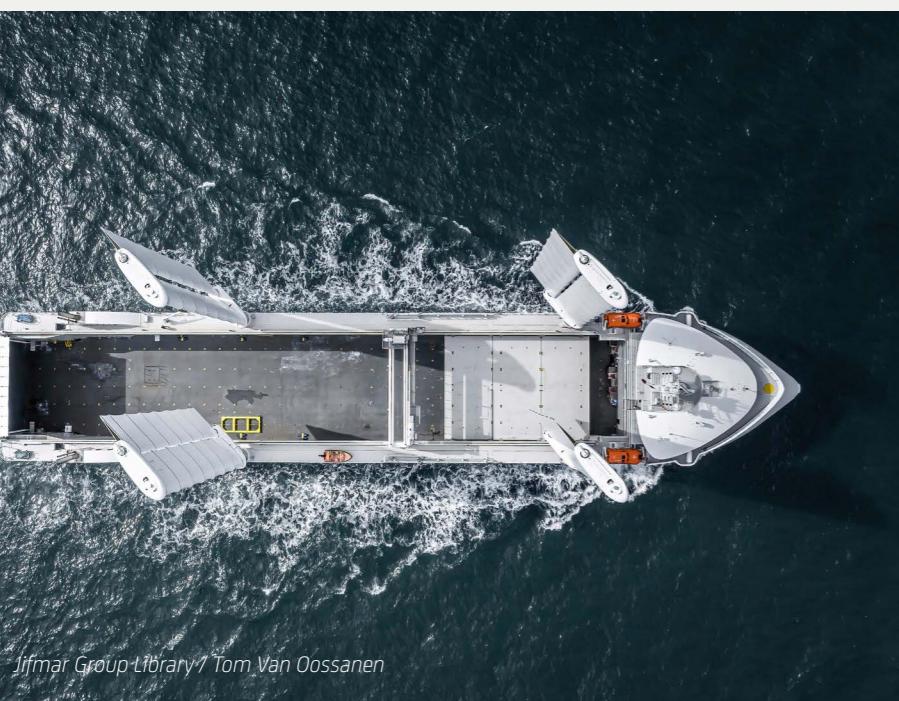
This includes investment opportunities into new infrastructure as well as investments into existing infrastructure projects, platforms or companies seeking additional capital to fund future growth. We were established in 2010 and operate from offices in Luxembourg and Paris, targeting investments in Energy & Renewables, Transport, Waste & Water and Digital transformation.

Our first fund – Marguerite I – invested more than EUR 700 million into 14 major infrastructure projects and companies in 11 countries across all target sectors, contributing to rebuilding the European economy following the 2008 global financial crisis. Five operational investments of Marguerite I were later acquired by Marguerite Pantheon, a fund created

and managed by Marguerite on behalf of Pantheon, a global private markets investor.

Our successor fund established in 2017, Marguerite II, continued the European infrastructure mandate, with EUR 750 million invested in a diversified portfolio of 18 investments. Marguerite II further strengthened the sustainable philosophy of Marguerite I by additionally targeting rail and new renewable energy sub-sectors (i.e. energy efficiency, biogas and biomass).

The most recent successor fund – Marguerite III – formalised this shift towards sustainable investments by committing to only support companies aligned with the Paris Agreement to keep global warming well below 2°C and, if possible, below 1.5°C. Since the establishment of Marguerite III in 2022, it has made five investments already.



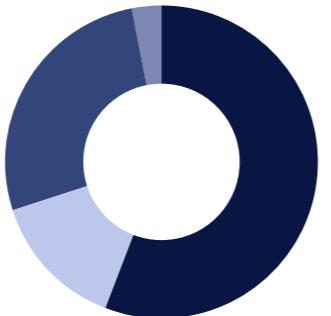
01

## TRACK RECORD SINCE INCEPTION

43

Investments in 15 countries (including 21 exits)

### Sectors



- Energy & Renewables 56%
- Digital transformation 14%
- Transport 27%
- Waste & Water 3%

### Geographies



- Western Europe 35%
- Southern Europe 38%
- Central & Eastern Europe 13%
- Northern Europe 14%

In # of investments

## MARGUERITE IN 2023

€2 bn

of assets under management

30

investment professionals of 10 nationalities dedicated to business development, origination, transaction execution and asset management of portfolio companies

Note: as of December 2023

22

investments under management

## ESG focused

- GRESB  
Management Score: 29/30

- UNPRI
  - ★★★★★ Policy Governance and Strategy
  - ★★★★★ Direct Infrastructure
  - ★★★★★ Confidence Building Measures

## MARGUERITE III

Marguerite III aims to build on our 14-year track record of making successful greenfield and brownfield expansion investments across various sectors and geographies in Europe. Ultimately, the fund's main objective is to invest in new infrastructure to deliver the energy transition and meet the net-zero emission target by 2050 Europe-wide. Marguerite III is therefore classified as an Article 8 fund under the SFDR as we select and manage infrastructure investments that bring

essential environmental and social value. Marguerite III particularly invests in companies that are aligned with the 2015 Paris Agreement, and have a quantifiable positive contribution to the UN Sustainable Development Goals (SDGs). It also targets 55% of "sustainable investments", as defined by the EU Taxonomy or EIB's Climate Action and Environmental Sustainability framework, which is why we consider Marguerite III to be an Article 8 "plus" fund.

### How we're adding value

- Growth infrastructure experience
- In-depth sectorial expertise
- European at the core: we invest across the continent

### Current sectorial objectives

#### Energy & Renewables

Accelerate the deployment of low carbon energy production, reinforce networks and foster energy efficiency.

#### Digital transformation

Build efficient and sustainable digital networks supporting economic activities in Europe.

#### Transport

Develop efficient, low-carbon passenger and freight transport infrastructure.

#### Waste & Water

Support efficient, circular water and waste infrastructure deployment and renewal to reduce pollution.

## PORTFOLIO IN 2023

## Climate change mitigation, energy security and energy efficiency

- Onshore wind
- Offshore wind
- Biomass
- District heating
- Biogas
- Solar PV
- Public lighting
- Waste-to-energy
- Gas networks
- Energy efficiency

## Essential transportation services

- Roads
- Airports
- Rail freight
- Offshore services
- E-mobility
- Datacenters
- Optic fibre / Submarine cables

## Digital access

- Datacenters
- Optic fibre / Submarine cables

## GERMANY

Butendiek - 288 MW offshore wind farm 

## BELGIUM

C-Power - 326 MW offshore wind farm

## FRANCE

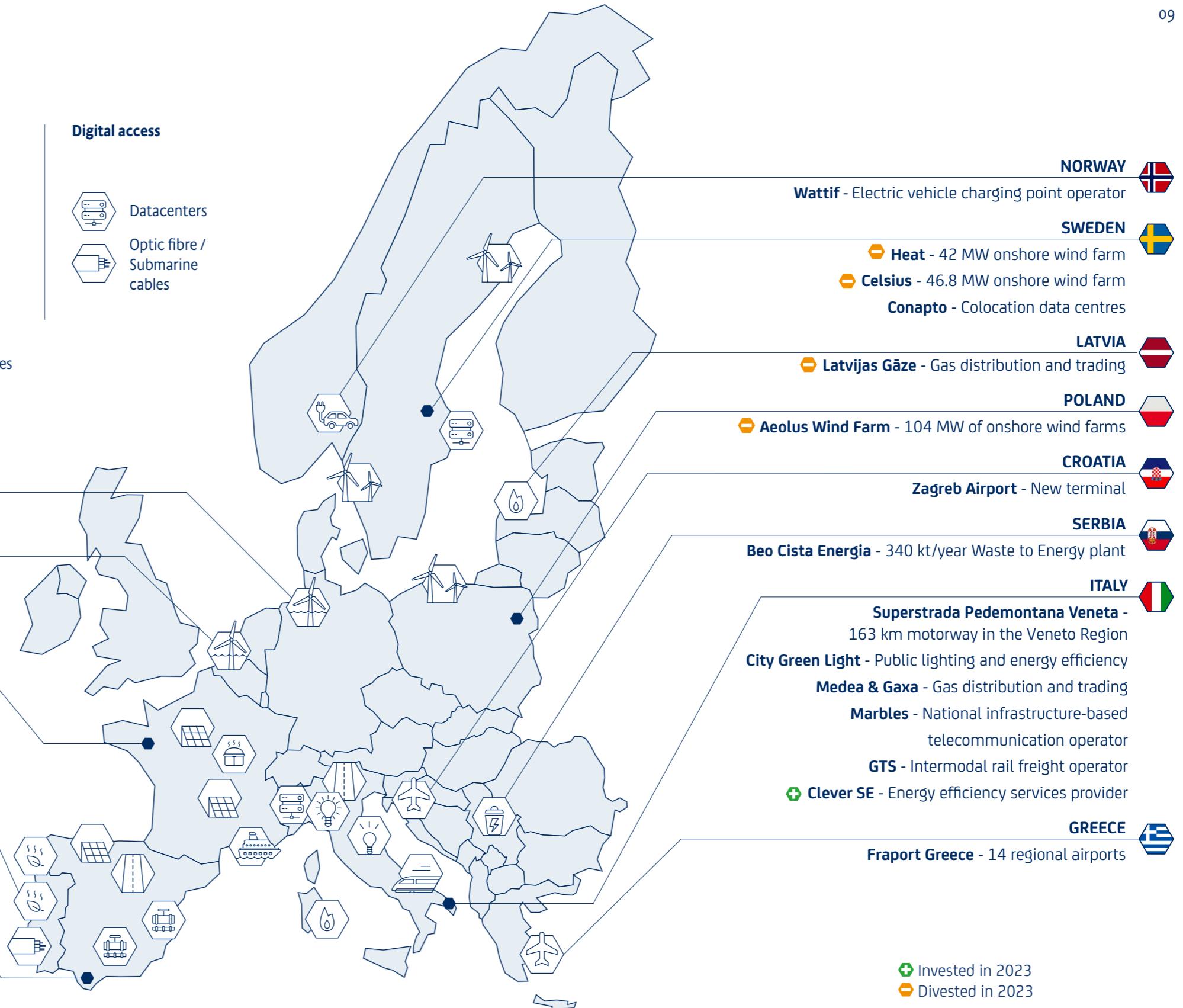
- ZE Energy - Solar + battery storage IPP
- Keon - Integrated biogas and biomethane platform
- Jifmar - Offshore services provider
- Nexun - Solar developer 

## PORTUGAL

- CBV/CBF Biomass - 34 MWe biomass plants
- Ellalink - 6,200 km submarine data cable between Portugal and Brazil

## SPAIN

- Curtis teixeiro - 49.9 MWe biomass plant 
- A-1 - Autovía del Arlanzón - 146 km shadow toll motorway
- Red de Calor de Cuenca - Biomass-fired district heating network
- SotySolar - Solar rooftop installer 
- Heating networks under development by Rebi 



## SINCE INCEPTION, WE HAVE FINANCED:

**1.1 million**  
households supplied  
with renewable electricity

**1.7 million**  
optic fibre connections  
to houses and businesses

**124 MW<sub>th</sub>**  
of heating capacity

**9,250 km**  
of natural gas networks

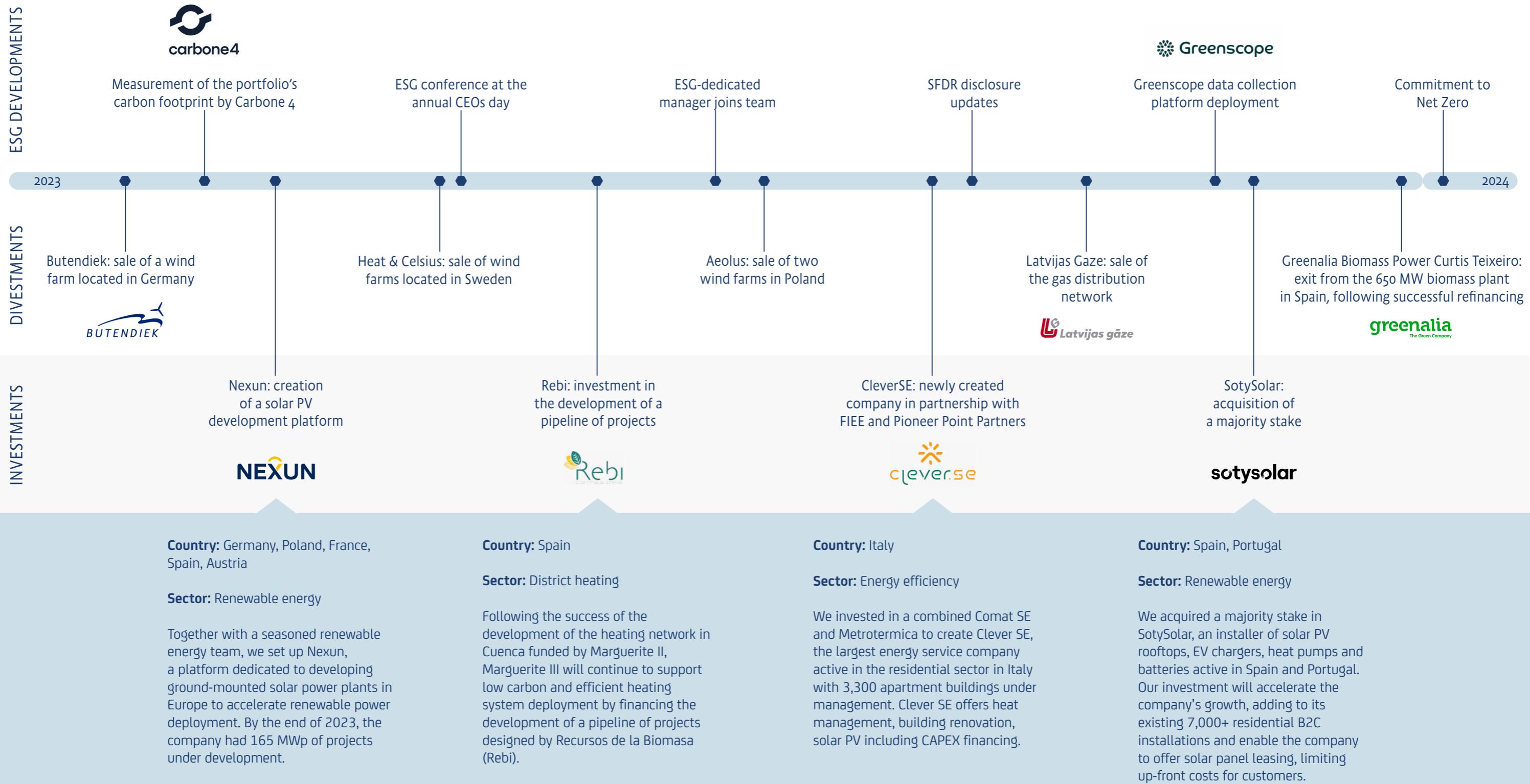
**366 km**  
of essential roads

## 2023 at Marguerite

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### OUR KEY ACHIEVEMENTS

2023 was an active year – we closed four new investments with our latest fund, Marguerite III, and sold five existing assets, while strengthening our ESG practices.



## PORTFOLIO IMPACT IN 2023

In 2023, our portfolio companies generated a positive impact spanning energy transition, access to essential transport, and connection to digital infrastructure. As a growth infrastructure investor, we supported the significant capacity expansion of the companies by helping them build and/or acquire new assets.

- Energy & Renewables
- Transport
- Digital transformation
- Waste & Water

### Renewable electricity

**431 MW<sub>e</sub>**

of renewable electricity generation capacity + 1 GWP of capacity under development



### EV charging

**24,766**

EV charging points



**36 MWh<sub>e</sub>**

of storage capacity installed supporting the integration of renewable power plants



### Digital networks

**33,200 km**

fibre optic network

**6,000 km**

Europe to South America data cable with 100 Tbps connectivity and <60 ms latency



### Data centres

**37**

data centres

### Low carbon heat and district heating

**90 MW<sub>th</sub>**

of heat generation capacity



### Renewable gas and gas networks

**144 GWh**

of renewable gas equivalent to 12,560 households

**2,689 km**

of natural gas network serving 93,000 potential clients



### Energy efficiency

**c. 1 million**

efficient lighting points under management supplied at 62% of renewable power

**22.1 GWh<sub>th</sub>**

of energy saved by CSE equivalent to the natural gas consumption of c. 1,700 households



### Rail freight

**1.9 million tons**

transported via rail freight with 28 locomotives and 600 wagons



### Essential roads and airports

**309 km**

of essential roads

**37.6 million**

passengers in airports



### Waste management

**340,000 tons/y**

of waste to energy capacity to divert waste from landfill in Belgrade



## PORTFOLIO COMPANY HIGHLIGHTS

### City Green Light – Public lighting



In Italy, City Green Light (CGL) has exceeded **1,000,000 energy-efficient lighting points** under management. **The industry has recognised CGL's performance and positive environmental impact**, through the Industria Felix prize and the sustainability award from Kon Group and Elite. CGL has also defined its 2023-2026 sustainability plan, which includes collaboration with Mindwork for employee well-being and securing the "Great Place to Work" certification.



### Ze Energy – Solar PV (+Battery)



Ze Energy is an independent French company producing renewable electricity while supporting the integration of renewable electricity. In 2023, it **developed and commissioned two hybrid solar PV plants with integrated battery storage and one battery storage asset in France and Italy**. It also started the construction of project Vert (76.8 MW of solar PV and 14.8 MW/29.6 MWh of battery storage) and will begin the construction of several other similar projects in 2024. **The Ze Energy team has developed its sustainability strategy** to limit its adverse impact and increase positive environmental and social impact, covering biodiversity, PV and battery supply, employees, and the stakeholders of all the projects.

### Nexun – Solar PV



Since its launch at the start of 2023, Nexun's management has **built a team of 17 experienced professionals in five countries and developed a pipeline of 165 MWp**. Under the management's leadership and in collaboration with Marguerite's ESG team, Nexun is defining its sustainability strategy and integrating biodiversity-sensitive areas into its project development process to control and limit its impact on natural habitats.

### REBI Cuenca – Heating network



In Cuenca, Spain, Marguerite's partner, Recursos de la Biomasa (Rebi), **finalised the biomass plant construction in December 2023** and started delivering heat to the city via its extensive pipe network. This important milestone will allow the company to supply 7,500 local households and public buildings in the city once at full scale, replacing existing heavy fuel or natural gas boilers with local biomass and avoiding 25,000 tonsCO<sub>2</sub>e/y.

### Conapto – Data centre



Conapto operated three data centres in 2023, cumulating a 4.6 MW IT server load and started building its Stockholm 4 Data Centre to meet the growing market demand for colocation services in Stockholm. On top of providing high-quality services to its customers, Conapto is a **sustainable and innovative data centre owner and operator**. The company is ISO 9001 certified, showcasing energy efficiency at its data centres; it also made it to the finals of the 2023 DCD Awards for the Heat Reuse system at its Stockholm 3 North data centre. In collaboration with Vertiv, Coromatic and Fever, **Conapto is deploying a unique integrated Dynamic Grid Support system based on lithium-ion batteries** to facilitate renewable energy integration by providing flexible services to the electricity grid while securing and optimising power supply to Conapto's facilities.



### Ellalink – Submarine cable



EllaLink has installed and operates a **state-of-the-art trans-continental submarine cable connecting Europe, Africa and South America**. In 2023, the company announced plans to build a direct, secured connection between French Guyana, home of the European Space Centre, with Mauritania and continental Europe to **boost IT services and economic activities in those geographies**. EllaLink is committed to limiting its negative impact by selecting low GWP<sup>1</sup> refrigerants for its operations and generating local impact through collaboration with Cercisago - Centro de Recuperação de Crianças Inadaptadas, a Portuguese NGO near Sines Vasco da Gama Cable Landing Station.



### Wattif – EV Charging



Acquired in December 2022, **Wattif grew from 221 charging points to almost 25,000 a year later**. This impressive success has been driven by the growing demand in mature Scandinavian EV markets, paired with expansion into several other European countries, thus participating in road transport sector decarbonisation. In addition to developing and installing its own chargers, the company **acquired several EV charging point operators (i.e. Billader and Charge365)**, benefiting from the Nordic market consolidation. To structure its approach to ESG, Wattif hired a **dedicated ESG director responsible for quality and HR – who developed an ISO management structure and laid a solid basis for ESG risk management** covering environmental impacts, health and safety, and diversity and inclusion.

### Jifmar – Offshore services



2023 was also a busy year for the Jifmar Group, with a **first trans-Atlantic crossing of the Canopee vessel, the pioneer sail-assisted cargo ship**, and the acquisition of Acta Marine. Jifmar has **fully integrated ESG practices into its daily operations** (e.g., ISO 90001, ISO 14001:2015, ISO 45001:2018, Zero Plastic Policy, Fuel efficiency improvement plan), limiting risks for sailors and the company's negative impact on the environment and setting a solid base for continuous organic and external growth.

## Sustainability and climate risk management

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In 2024, we decided to align our annual sustainability report with the new International Financial Reporting Standards (IFRS), standards 1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and 2 (Climate-Related Disclosures) released mid-2023<sup>1</sup> – as a continuation of Marguerite's annual Task Force for Climate Financial Disclosure (TCFD) and sustainability reporting. We built the following section under the principles of the IFRS: Fair presentation, Materiality, Uniformity of the reporting entity<sup>2</sup>, and Connected information. We focus on operational and strategy information disclosure, while financial implications are only disclosed to our investors.



### GOVERNANCE

#### Organisation

Marguerite's Board of Directors manages the funds' underlying assets and risks, including the sustainability and climate risks.

The Board delegates the implementation of the sustainability and climate strategy and processes to the

ESG Team. The ESG Team is responsible for managing the integration of ESG within the investment cycle; at the same time, the Risk Manager leads an annual independent review of sustainability risks (including climate risks) as part of the risk management process, providing a second opinion.



#### Role of the Board of Directors and the Investment Committee in oversight of sustainability and climate-related risks and opportunities

**Responsibility for sustainability aspects at Marguerite:** Nicolás Merigó, CEO, member of the Board of Directors and the Investment Committee, has set high ESG values and a strong ambition for the positive contribution of Marguerite. He is responsible for the definition and implementation of the long-term sustainability strategy and commitments.

**Board-level strategy definition:** The members of the Board of Directors define the Sustainable Investment Policy and validate the associated Procedure describing how we integrate sustainability and climate risks and opportunities in the investment cycle.

**Investment committee validation:** The Investment Committee, including members of the Board of Directors, is responsible for validating the sustainability and climate risk assessment as well as the action plan included in the investment proposal for each new investment.

**Sustainability information flow:** The Head of ESG regularly conveys information and recommendations from the ESG team to the Board of Directors. These include material issues, ESG performance and action plans.

#### Role of the Management in assessing sustainability and climate-related risks and opportunities

**ESG team:** The ESG team comprises the Head of ESG, the Portfolio Manager and the ESG Manager – enabling the continuous assessment and monitoring of the sustainability performance of investment opportunities and Portfolio Companies, and its impact on valuation. The ESG Manager brings climate and sustainability expertise relying on significant experience in strategic advisory. The ESG Team is responsible for supporting and monitoring the Sustainability Policy and Procedure implementation.

**Third-party review by the Risk function:** The Risk Manager reviews Sustainability and Climate risks annually.

**Portfolio Companies Board meetings:** The investment and asset management team is responsible for monitoring the sustainability and climate risks and opportunities – notably by including sustainability and climate topics on the Board's agenda at least once a year and, when relevant, include it in the remuneration package of the portfolio companies.

[1] IFRS standards

[2] All Marguerite's portfolio companies as at the 31.12.2023 are considered, except for our investment in the Rebi project pipeline – as the current Marguerite III investment in Rebi only finances the development costs of a pipeline of projects. When projects are identified and financed by Marguerite, they will be included in the perimeter.

## Risk Management Tools

The ESG and Investment Teams use several tools to support the integration of sustainability and climate risks and opportunities in our investment cycle.

### Guidelines

- **Marguerite Sustainable Investment Policy**
- **Marguerite Sustainable Investment Procedure**  
(or Environmental and Social Management System)
- **Standard templates**  
(i.e. Investment proposal, basic clauses)
- **Formalised methodologies**  
for Paris-alignment and sustainable investment proofing



### Risk analysis tools

Sustainability tools	Climate-specific tools
<ul style="list-style-type: none"> <li>● <b>Exclusion list</b> (several types of exclusions, several lists)</li> <li>● <b>ESG risk screening rating</b> based on likelihood and severity, using a list of sustainability aspects material for Marguerite's strategy and sectors</li> </ul>	<ul style="list-style-type: none"> <li>● <b>A dedicated scoring considering both the impact and the likelihood of climate risks</b> – using the list of both physical and transition climate risks defined by the TCFD</li> </ul>

### Data supporting risk analysis

<ul style="list-style-type: none"> <li>● <b>SASB<sup>3</sup> materiality map</b> used to determine the material sustainability risks and opportunities</li> <li>● <b>KYC databases</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Physical risk databases</b> (with location and sectorial data)</li> </ul>
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### Monitoring tool

<ul style="list-style-type: none"> <li>● <b>Sustainability data gathering</b> platform enabling user-friendly and high-quality data collection</li> <li>● <b>Action plan monitoring tool</b> to monitor the ESG Focus Points and associated actions</li> </ul>	<ul style="list-style-type: none"> <li>● <b>GHG emissions assessment platform (Ciara)</b> dedicated to infrastructure with &gt; 6 years of track record and benchmarks set up by Carbone 4 – a climate specialist consultant</li> </ul>
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## STRATEGY: ASSOCIATED METRICS AND TARGET

Our sustainability and climate strategy focuses on selecting companies that positively impact society and the environment in line with our commitment and the funds' strategy. As part of our asset management practices, we closely monitor our portfolio companies and support them in defining policies and processes to address material risks and in maximising their positive impact.

### Climate

Since our creation, we have supported the reduction of greenhouse gas emissions by channelling capital into climate solutions, engaging companies to further lower their impact and ensuring the portfolio's resilience to climate change.

In 2024, we decided to join the Net Zero Asset Manager initiative and commit long-term to fully align our investments with the Paris Agreement.

### Marguerite joined the Net Zero Asset Managers initiative

Marguerite commits to align its portfolio with net zero emissions pathways by 2050 or sooner across all AuM and set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050. This commitment is already aligned with our last fund's strategy.



### Investment in climate solutions

As part of the climate transition, new and refurbished infrastructure is essential to produce low-carbon energy and products (electricity, heat, cooling, fuels), transport them, and use them efficiently – reducing losses, adapting processes to new energy vectors and building circular value chains. Since its creation, Marguerite executed a significant share of investments aligned with the EU taxonomy, thus qualifying as climate solutions:

Investment in renewable energy, energy efficiency and low-carbon transport since inception

Estimated avoided emissions associated with our current investments in climate solutions

offshore and onshore wind farms, utility-scale solar plants, biomass-to-energy plants, renewable heating networks, biogas production, electricity storage, rail freight and energy efficiency. This tendency increased with our latest fund: as of December 2023, Marguerite II's portfolio only includes companies qualified as climate solutions.

**>700 mEUR**  
(i.e. 40-50% of the investments)

**300,000 tCO<sub>2</sub>e/y<sup>4</sup>**  
in 2023

## Decarbonisation of our assets

Limiting our assets' emissions will contribute to climate change mitigation, as well as reduce exposure to energy price volatility, CO<sub>2</sub>-related taxes and legal and reputational risks.

Every year since 2020, Marguerite provides its portfolio companies with an estimate of their GHG emissions. We work closely with our portfolio companies to identify their

primary sources of emissions, build detailed feasible decarbonisation roadmaps addressing their main carbon emissions and monitor progress.

We will accelerate our engagement further by focusing primarily on portfolio companies that do not qualify as climate solutions to help them in their decarbonisation efforts aligned with 1.5°C climate scenarios.

	2023	Target
Climate change and mitigation policy and/or strategy	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid #ccc; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; font-size: 14px; font-weight: bold;">43%</div> </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid #ccc; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; font-size: 14px; font-weight: bold;">50%</div> </div> <p>Excl. companies qualifying as climate solutions.</p>
Portfolio coverage of carbon emission reduction target <sup>5</sup>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid #ccc; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; font-size: 14px; font-weight: bold;">38%</div> </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid #ccc; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; font-size: 14px; font-weight: bold;">67%</div> </div> <p>Excl. companies qualifying as climate solutions.</p>
GHG emissions calculation	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid #ccc; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; font-size: 14px; font-weight: bold;">100%</div> </div> <p>71% of portfolio companies estimating at least their scope 1 GHG emissions</p>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid #ccc; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; font-size: 14px; font-weight: bold;">100%</div> </div> <p>100% of scope 1 + 2 prepared by the portfolio companies</p>
<span style="color: #ccc;">●</span> All portfolio companies		<span style="color: #0070C0;">●</span> Only for companies for which the indicator is material
<span style="color: #0070C0;">●</span> Target		

## Jifmar's initiatives towards marine services decarbonisation

A significant majority of Jifmar's GHG emissions come from marine fuel consumption. To reduce their emissions, the company implemented monitoring and optimisation measures (i.e. Ship Energy Efficiency Measures Plan) which led to the decrease of fuel consumption per ship hours by >10% since 2020.

Jifmar also launched the first sail-assisted vessel, Canopée, in 2023 and divided by 6 the road transportation thanks to the deployment of electric and hybrid vehicles since 2018.

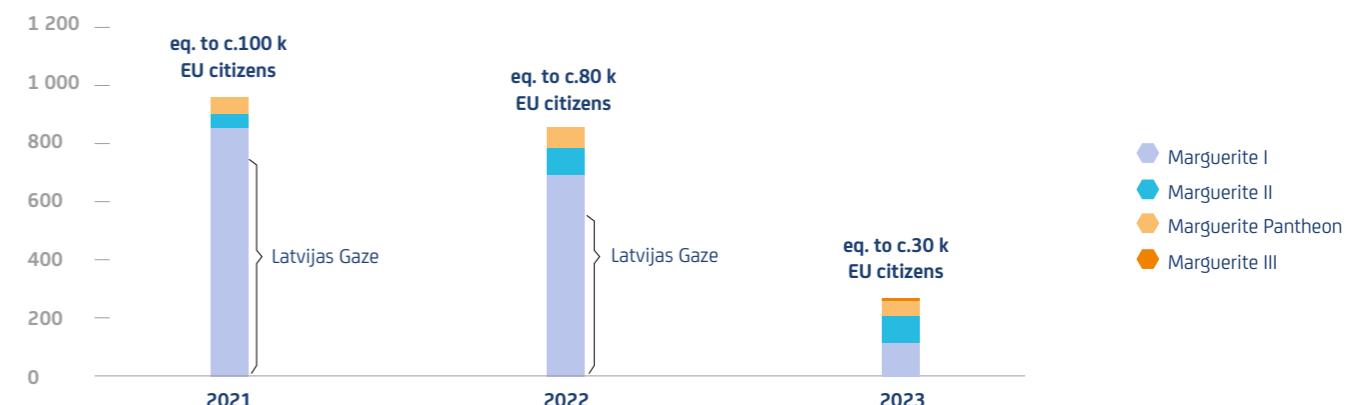


[5] At least scope 1 emissions

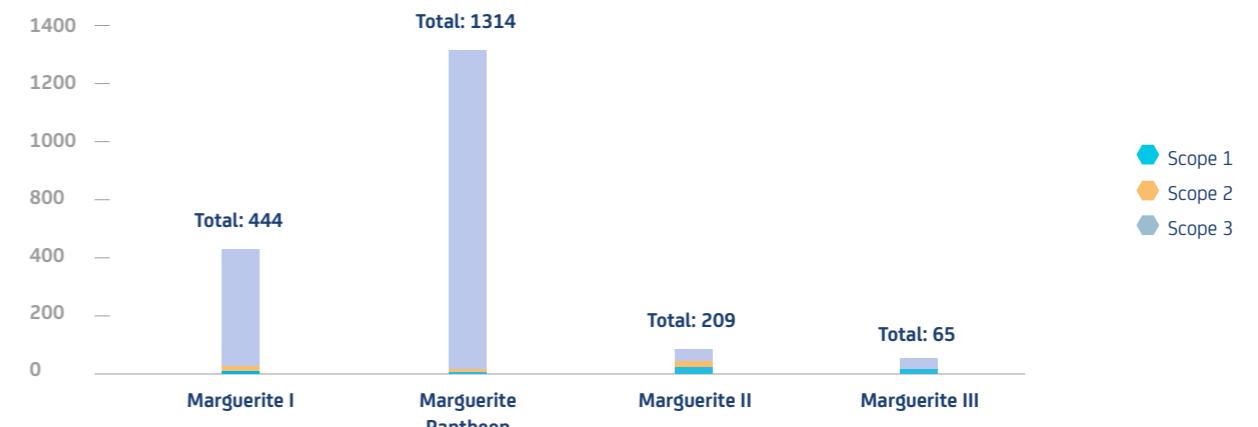
As part of our long-term sustainability vision, we are progressively exiting GHG emissive activities which support energy security (e.g. natural gas network in Latvia) and transportation integration (i.e. highways, airports) in

Eastern and Southern Europe. Our main focus increasingly shifts to low carbon activities and/or activities avoiding GHG emissions, notably with our latest fund, Marguerite III.

## GHG EMISSIONS PER FUND (in ktonCO<sub>2</sub>e/y allocated to Marguerite)



## CARBON FOOTPRINT OF OUR FUNDS IN 2023 (tonCO<sub>2</sub>e/EURm of investments)<sup>6</sup>



## Methodology

Scopes 1, 2 and 3 GHG emissions are accounted for in the analysis.

Except for Jifmar, Nexun and Ellalink<sup>6</sup>, GHG emissions have been estimated by Carbone 4 using the CIARA methodology aligned with the GHG Protocol and allocated to Marguerite relatively to the share of the enterprise value (i.e. the definition of the enterprise value is aligned with the definition of the SFDR).

According to the PCAF<sup>7</sup> methodology, Marguerite's reported GHG emissions are scored 2 or 3 in terms of quality (i.e. scale from 1 to 5, with 1: high-quality data which are reported by the company

and audited, and 5: low-quality GHG emissions data recalculated based on turnover):

- Score 2 for scopes 1 & 2 GHG emissions (i.e. non-audited reported emissions or emissions estimated based on reported physical data and energy consumptions).
- Score 3 for scope 3 GHG emissions (i.e. emissions calculated using primary physical activity data and no calculation using revenue-based proxies).

[6] Jifmar reported its scope 1, 2 and 3 emissions; Nexun's and Ellalink's GHG emissions were estimated by Marguerite's ESG team as the activities were not covered by Carbone 4's methodology

[7] Partnership for Carbon Accounting Financials

## Exposure to climate risks

**Exposure to physical climate risks:** Physical risks from climate change can be event-driven (acute), such as extreme weather events, or longer-term (chronic) shifts in climate patterns. Increased global warming raises the physical risk exposure of our assets.

As part of the due diligence, we systematically perform physical climate risks relying on the RCP 4.5 and RCP 8.5

scenarios<sup>8</sup>. Annual reviews are also necessary as some of our portfolio companies continuously deploy new infrastructure – in line with our growth infrastructure strategy. We increasingly require portfolio companies to lead their own analysis – in line with the requirements of the EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD).

**Exposure to transition climate risks:** Shifting towards a more sustainable, low-carbon economy requires adjustments in policy and legal frameworks, technological advancements, and market dynamics to address the challenges of mitigating and adapting to climate change. The extent and pace of these changes determine the severity of financial and reputational risks for the assets.

In our investment strategy, we meticulously assess subsector-level transition risks, considering the specific

policies and regulations of the geographical areas involved. Within our asset management approach, we actively engage with management teams to ensure proactive responses to the evolving transition risks. Simultaneously, the transition to a low-carbon economy introduces opportunities for new activities, and we strive to seize these opportunities to expand the overall value of our investments.



[8] Climate scenarios defined by the Intergovernmental Panel on Climate Change (IPCC) - RCP 4.5 is described as a moderate scenario in which emissions peak around 2040 and then decline. RCP 8.5 is the highest baseline emissions scenario in which emissions continue to rise throughout the twenty-first century.

## Environment

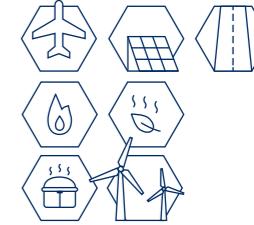
As a growth infrastructure investment expert, we continually assess the impact of our investments on the environment and the environmental risks to which our investments are exposed.

These can have technical, economic, financial, legal, and/or reputational implications for the portfolio companies or their value chain. We primarily select infrastructure investments with limited or positive

environmental impacts and are only exposed to manageable risks. While managing the investments, we monitor and engage with the portfolio companies on their negative material impacts (such as energy and water consumption, water pollution, waste generation and biodiversity) to develop adequate policies and corrective measures. We also set quantitative reduction targets at the portfolio company level in collaboration with management.



### MATERIAL ENVIRONMENTAL TOPICS BY SECTOR

	Energy	Water	Waste	Biodiversity
Criteria	>10 GWh	Consumption of water and/or rejects of water in addition to offices	Generation of significant or particular waste in addition to office waste	Activities near biodiversity-sensitive areas
Material asset classes	8 assets 	8 assets 	7 assets 	10 assets 
Impact of material assets	% of renewable energy: 39%	Water consumption: 28,131 m3	Recycling rate: 59.4%	% of assets mitigating biodiversity risks: 100%
	Energy intensity: 1.24 GWh/m EUR	Pollutants: 0 tons declared by the portfolio companies		Biodiversity policy: 42% (obj. 90% by 2026)

## Social

### Job creation and retention

The capital we provide support the growth of companies, creating jobs in multiple European countries in the construction and operation stages. We invest in growing sectors – renewable energy, energy services, and digital

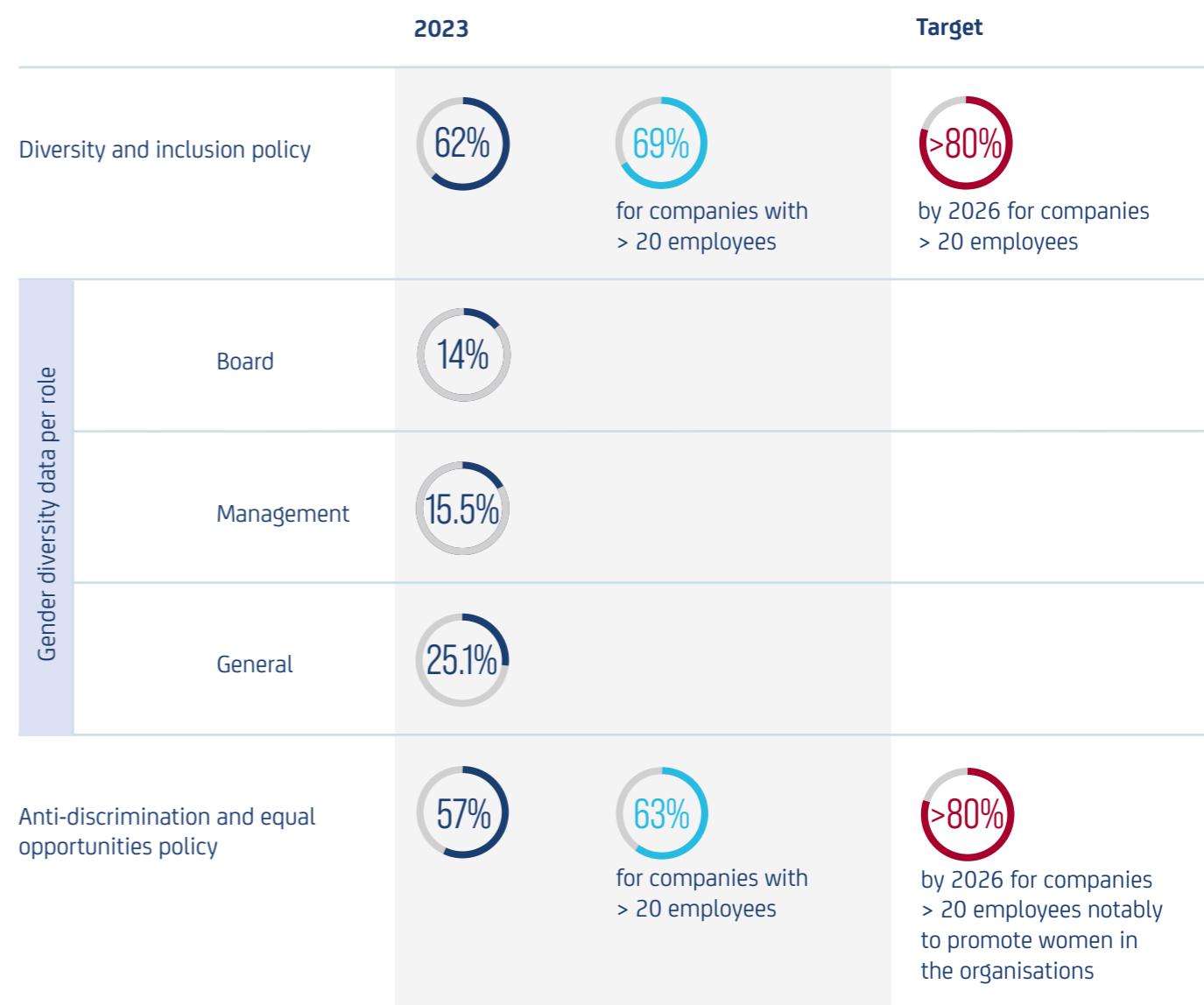
transformation – and recruiting qualified employees may be a critical bottleneck. We, therefore, support portfolio companies in defining their HR strategies, including measuring employee satisfaction and expectations.



### Diversity, Equity & Inclusion

We firmly believe that Diversity, Equity & Inclusion are essential elements of a just society, which is why we promote diversity of viewpoints, experiences, genders and origins internally and within our portfolio companies. To support growth and performance, we expect them to cultivate a workplace where all employees feel valued, respected, and empowered to contribute their unique

perspectives and talents. As we try to support equality within Marguerite and at portfolio companies, it will take time to reach gender equality throughout the sectors we target. However, policies and processes can be put in place to ensure equality of opportunities and pay within the organisations.



- All portfolio companies
- Only for companies for which the indicator is material
- Target



## Governance

We take an active role in the governance of our portfolio companies – to ensure ethical operations and leadership and limit the associated governance-related risks. We foster the implementation of minimum sustainability governance principles by portfolio companies, organise annual ESG reporting and, at least once a year, discuss ESG topics at board meetings. As we invest in companies of different sizes and natures, we adapt the formality of our expectations to each company, accompanying them step by step in ensuring transparent and ethical governance.

- All portfolio companies
- Only for companies for which the indicator is material
- Target



[9] Excluding our investment in Rebi's portfolio of projects under development which would be included as soon as we have identified projects at FID.

## RISK AND OPPORTUNITY MANAGEMENT SYSTEM

As a growth infrastructure specialist, we have always factored sustainability and climate risk into our investment decisions and asset management practices. Our infrastructure investments may be exposed to sustainability risks, which is why we aim to select low-risk and resilient investments and/or define robust mitigation plans to limit them.

During the pre-investment phase, we have a strict screening process, including a comprehensive exclusions list, limiting exposure to high-impact sectors and

selecting only Paris-aligned investments. ESG topics are then discussed early in the process.

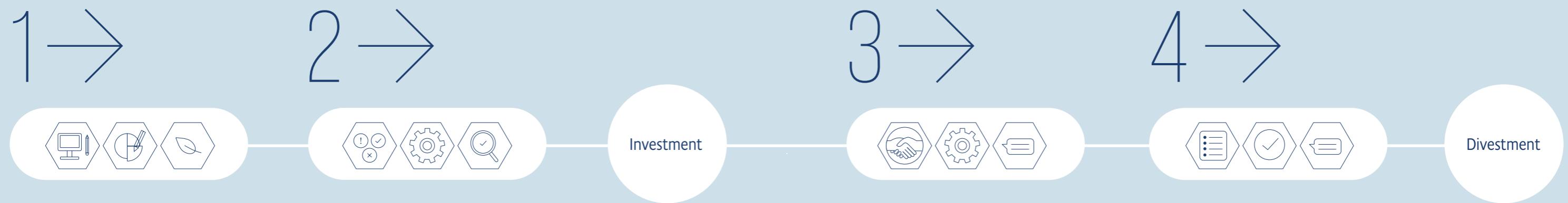
During the due diligence phase, the ESG risks are assessed further, in particular in terms of:

- Likelihood of an event occurring in the next year.
- Severity, covering business, technical, legal, regulatory and reputational aspects.

Inherent risks are refined during due diligence, considering mitigation strategies and associated controls. In the case we identify material risks to the business, we formalise action plans and indicators to monitor the process and report on it semi-annually to the board post-investment.

Post-investment, we operate a 'three lines of defence' strategy in risk management with clearly defined roles and responsibilities.

- First line: Day-to-day risk management, including identification and mitigation of risks and maintaining appropriate controls relying on our ESG data collection platform; discussions with the investee company during and in between board meetings by the ESG and Investment Teams.
- Second line: Oversight by our Risk and Compliance function.
- Third line: Audit, including ESG topics, ensuring control systems are adequately implemented.



### Select

- Exclusion list check - ensuring alignment with market best practices, investors' requirements and our values.
- Investment strategy check ensuring the alignment with the Paris Agreement and our ESG commitments.

### Assess

- ESG risks and opportunities analysis focusing on material ESG aspects and definition of performance indicators (ESG focus points) and action plans.
- Impact evaluation based on investment class-specific and fund-level indicators linked to the UN Sustainable Development Goals (Sustainability contributions).
- Compliance check with European and national laws, as well as an analysis in line with the EU taxonomy framework.

### Engage & disclose

- Engagement by the ESG Team and during board meetings.
- Support from the ESG Team with sustainability-related developments.
- Annual reporting of ESG indicators (ESG focus points, Sustainability contributions, Principal adverse Impact indicators in line with SFDR, greenhouse gas emissions).
- Disclosure of ESG performance to our investors and the general public.

### Exit

- Review the ESG performance, improvements and positive impacts of the asset and communicate to potential buyers.

As part of our commitment to sustainable investments, Marguerite is an active member and user of key initiatives including the following:





# Marguerite

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