

# 2021 GLOBAL SUSTAINABILITY REPORT

**AMBER**  
INFRASTRUCTURE GROUP





# FOCUSED ON THE FUTURE

The world we know is changing rapidly. As long-term investors, we recognise the need to consider how this could impact our core business activities and long-lasting operations. At Amber, we consider all of the issues that have the potential to influence the performance of our investments, both now and in the future.







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**Front cover**  
BeNEX, Germany  
Photo credit: ODEG

**Inside front cover**  
BeNEX, Germany  
Photo credit: ODEG/arguseye

 **View our company website**  
[www.amberinfrastructure.com](http://www.amberinfrastructure.com)

**AMBER**  
INFRASTRUCTURE GROUP



# COMPANY OVERVIEW

## WE ARE RESPONSIBLE INFRASTRUCTURE INVESTORS

Amber Infrastructure Group ('Amber') is a specialist international infrastructure investment manager with experience and expertise spanning a broad range of infrastructure sectors and geographies.

Amber develops and manages public infrastructure, sustainable energy, real estate and digital infrastructure assets that support the lives of people, homes and businesses.

We mobilise private capital into essential infrastructure with a fully integrated approach to the investment lifecycle. In doing so, we create long-term, sustainable investment solutions for our investors and the communities our assets serve. We are a trusted partner to the public and private sector with a proven track record.

Our international team of over 150 infrastructure investment professionals, headquartered in London, are focused on investment origination, fund and asset management with a presence across three continents. Amber adopts a full-service approach to investments and typically manages the entire investment lifecycle of its assets in-house.

>150

Number of employees

>150

Number of investments

A+

UN-backed Principles for Responsible Investment ('UN PRI') Strategy and Governance, and Infrastructure modules

2009

Founded

7

Funds

11

Offices

C.€5 billion

Funds under management

30%

Invested at greenfield stage

C.€1.7 billion

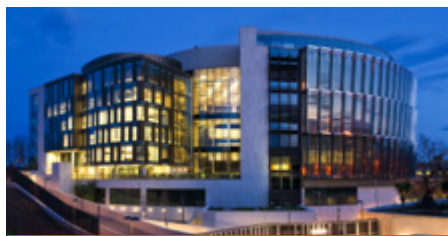
Capital allocated to Green Revenue Sectors

As part of the publicity requirements for the LEEF, MEEF and SPRUCE funds the relevant ERDF logos are required to be displayed, please see below:





## FUNDS



### International Public Partnerships ('INPP')

INPP, a London Stock Exchange listed infrastructure company, was launched in 2006, focusing on OECD countries. INPP has invested in over 130 global public infrastructure projects and businesses. The portfolio consists of utility, transport, education, health, justice and digital infrastructure projects and businesses.



### Three Seas Initiative Investment Fund ('3SIIF')

3SIIF focuses on investing in greenfield infrastructure projects and providing connectivity between the Central Eastern European region in the digital, transport and energy sectors. The Three Seas Fund is cornerstoned by government-backed financial institutions from the region, and is open to private as well as public sector capital. The fund reached initial close in February 2020.



### National Digital Infrastructure Fund ('NDIF')

NDIF is dedicated to digital infrastructure, improving connectivity for consumers, businesses and the public sector across the UK. It is focused on making investments in UK businesses and projects specialising in optical fibre-based networks and related enabling infrastructure.



### London Energy Efficiency Fund ('LEEF')

A specialist fund (one of the first of its kind in energy efficiency), launched in 2011, established by the Mayor of London and the European Investment Bank ('EIB') investing in energy efficiency, onsite renewables and district heating across London. LEEF has invested in 11 projects (plus two follow-on projects).



### Mayor of London's Energy Efficiency Fund ('MEEF')

Amber was appointed as the fund manager to MEEF in 2018 by the Greater London Authority ('GLA') with funds from the European Regional Development Fund ('ERDF'). MEEF is the successor to LEEF and invests primarily in senior debt but can also provide mezzanine finance and equity to low carbon projects within London. MEEF has invested in eight projects to date.



### Scottish Partnership for Regeneration in Urban Centres ('SPRUCE')

SPRUCE invests in regeneration and low carbon projects in Scotland with funding provided by the Scottish Government, the EIB and ERDF. Established in 2011, SPRUCE is predominantly a debt fund and has agreed facilities with 17 projects to date.



## AMBER BALANCE SHEET

As well as managing other funds, Amber's portfolio extends to investments it makes in its own right. Amber has developed c.£3 billion of assets in this way and uses its balance sheet to demonstrate 'proof of concept' to investors, particularly in new technologies and sectors. Amber has the in-house capabilities to identify, structure, conduct due diligence, manage and deliver often-complex infrastructure projects.



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# FOREWORD

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*Climate change presents a complex and critical challenge, but global commitments are creating an environment for meaningful change.*

**Dudgeon OFTO**  
Dudgeon offshore substation.  
Photo credit: Jan Arne Wold/Equinor







**GAVIN TAIT**  
CEO

I'm delighted to present Amber's second Sustainability Report.

It has of course been a challenging year for everyone and Covid-19 has had a monumental impact on society, but as the vaccination rates improve there are encouraging indicators that we may soon be able to live in a more 'normal' way once again.

While we all face considerable challenges in this environment, our primary focus has been to ensure the safety and wellbeing of our employees, to continue to exceed the investment objectives of our clients and to provide support for our communities – needed more now than ever.

Despite the impact of Covid-19, the last 12 months have marked another significant step forward for Amber. Although the limitations enforced by international lockdowns have presented challenges, our business activities and successes have been busier than ever. Over the past year, we've raised c.€1 billion for core plus strategies, with six core plus deals executed at a value of over €600 million. We have also developed a strong pipeline of supercore deals, with 11 deals signed or at preferred bidder status. We've secured further capital for our energy efficiency funds, which will enable us to make further impact investments, demonstrate sustainability leadership and reduce emissions. These activities have been supported by opening three new offices and appointing 16 additional investment professionals across the UK, US, Europe, and Australia.

Reflecting our sustainability philosophy, we're proud that our flagship sustainability and innovation programme, 'Amber Horizons' was awarded 'Best Corporate Sustainability Strategy' at the ESG Investing Awards 2021 and MEEF, one of our London-focused energy efficiency funds, won the IJ Investor Market Innovations' award.

The impact of Covid-19 has been profound and provides a stark reminder of the great challenges we face globally. We are encouraged by the continued focus our investors have placed on wider sustainability issues throughout such challenging economic times.

#### **Strengthening alignment with the Paris Agreement objectives**

Climate change presents a complex and critical challenge, but global commitments are creating an environment for meaningful change. Since our inception in 2009, Amber has worked with governments and clients to drive the energy transition and advance solutions to the climate challenge.

As global commitments to tackling climate change accelerate, in keeping with our culture of innovation, we are evolving our approach to climate change in three key areas.

Firstly, we are strengthening the alignment of our business activities with the objectives of the Paris Agreement. In order to guide investment decision making, we have enhanced our due diligence processes where we draw on recognised frameworks, such as the EU Taxonomy and other emerging taxonomies, alongside our own research and investor preferences.

Through our Planet Mark certification, we will continue to reduce the emissions of our own business operations. In 2020, we achieved carbon neutrality across our operations and are committed to developing a robust Net Zero approach for our business.

Drawing on the experience of our strong in-house asset management team, we measure greenhouse gas emissions and identify emission reduction opportunities across all investments. We will work with these businesses to develop science-based targets that will assist them on the pathway to emission reductions. To evidence our action in these areas, we have also undertaken to enhance our climate disclosures. Amber is a supporter of the recommendations of the Task Force on Climate-related Financial Disclosures and is improving disclosures for our clients' funds in line with this initiative.

Secondly, we will continue to invest in green energy generation, distribution and management services. This builds on our position as a global developer, investor, financier and manager of renewable energy projects and businesses. In addition to our leading role in established regulatory regimes such as offshore wind transmission, we are increasing our investments in proven technologies such as solar and wind. We shall do this through the funds we advise and through strategic investments by Amber itself in renewable development platforms. By way of example, in May 2021, we launched Circle Power Renewables – an Amber joint venture development company focused on solar, wind and battery projects in Michigan and other regional power markets in the US. Furthermore, 2021 saw us acquire a significant solar portfolio and development platform in Central and Eastern Europe and commence the construction of a new 50MW battery storage asset in the UK.

Finally, we remain committed to unlocking Net Zero solutions more broadly. Whilst investment in proven technologies through existing financial models is important, we recognise the path to Net Zero emissions is complicated and will require a wide range of financial and technology solutions. Building on our low carbon fund experience, we will continue to work with our public sector counterparties to develop innovative financing solutions for all sectors. We will continue to use our own balance sheet to make frontier investments in projects, which we believe is the route to introducing wider capital to these important sectors. This will be supported through our Amber Horizons research process and from sharing lessons across the global investments under our stewardship.

We'd like to thank you for your continued support and for the warm reaction to the first report. Insights from our investors and wider stakeholders are an integral part of shaping our approach to sustainability and ESG disclosures, and we welcome your ongoing engagement.



# 2020 SUSTAINABILITY HIGHLIGHTS

*We believe that robust financial performance is delivered by investing in infrastructure that supports a sustainable, prosperous and resilient society.*

Signatory of:



UN-backed Principles for Responsible Investment ('UN PRI')  
A+ Strategy and Governance Module  
A+ Infrastructure Module



Supporter of the SDGs



PARIS2015  
COP21-CMP11

Supporter of the objectives of the Paris Agreement



Supporter of the TCFD



Carbon neutral operations



Winner Market Innovation category at the 2020 IJ Investor Awards



Amber Horizons wins 'Best Corporate Sustainability Strategy' ESG Investing Awards 2021

**c.€1.7 billion**

Capital allocated to Green Revenue sectors<sup>1</sup>

<sup>1</sup> As per FTSE Green Revenues Classification System  
[https://research.ftserussell.com/products/downloads/FTSE\\_Green\\_Revenues\\_Classification\\_System.pdf](https://research.ftserussell.com/products/downloads/FTSE_Green_Revenues_Classification_System.pdf)





# >544,000

Patients treated in healthcare facilities developed and managed by Amber



# >195,000

Students attended schools developed and managed by Amber



# 37,000,000

The three components of the London Tideway Improvements will work to reduce annual waste water discharges into the River Thames by 37 million cubic metres



# 1,300,000

Homes powered by renewable energy transmitted through Amber-managed offshore transmission investments



# >15,000

Jobs supported across all Amber-managed investments



# >151,000,000

Passenger journeys through Amber-managed sustainable transport investments



# >63,000 tCO<sub>2</sub>e

Annualised carbon savings from Amber-managed low carbon funds



# OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

***Amber is supportive of the 2030 Agenda for Sustainable Development adopted by the UN Member States in 2015. Alignment with the SDGs is an essential part of our approach to ESG integration. We believe it contributes towards the SDGs in two main ways: the positive impact investments have on sustainable development and our focus on managing investments sustainably.***

## IMPACT

By investing in infrastructure, Amber believes its investments can significantly support the targets set by the SDGs. Examples of how our investments do this include:



### Good Health and Wellbeing

Our investments in 37 health facilities, including the award-winning Royal Children's Hospital in Melbourne provide access to quality essential healthcare services.



### Industry, Innovation and Infrastructure

Investing in resilient infrastructure is at the heart of what we do. We've invested over £8 billion into quality, reliable, sustainable and resilient infrastructure.



### Quality Education

Good infrastructure provides an environment for the provision of quality education. By investing directly in 267 education facilities, and managing them sustainably, we can provide effective learning environments for all.



### Sustainable Cities and Communities

Our investments in transport provide safe, affordable, accessible and sustainable transportation. Equally, our digital investments support sustainable urbanisation and drive productivity.



### Clean Water and Sanitation

The Thames Tideway Tunnel is the biggest privatised water industry infrastructure project ever undertaken by the UK water industry.



### Climate Action

By investing in projects that directly strengthen resilience to a changing climate, we can directly support SDG 13.



### Affordable and Clean Energy

Through our energy efficiency funds, primary renewables investments and offshore transmission investments, we are supporting the provision of affordable and clean energy.



### Peace, Justice and Strong Institutions

Through the provision of 13 high-quality judicial buildings, we are supporting effective, accountable and transparent institutions at all levels.



## SUSTAINABLE MANAGEMENT

Whilst Amber believes its investments have a positive impact on society, it recognises that there will inevitably be trade-offs that need to be made in the pursuit of sustainable development. To reduce impact and capitalise on opportunities, Amber actively manages all its investments where we have significant control. Alongside relevant performance standards and regulation, Amber draws on the SDGs to help guide its approach to the active management of its investments. These have been used to develop our active management sustainability aims, further described on page 20.



### Good Health and Wellbeing

By ensuring all investments robustly manage the health, safety and wellbeing of their end-users and workforce, we can support SDG 3.



### Industry, Innovation and Infrastructure

By upgrading and retrofitting infrastructure assets to make it sustainable, with greater adoption of clean and environmentally sound technologies, we can actively support SDG 9.



### Gender Equality

We require all investments to implement a strong Diversity and Inclusion Policy. By ensuring our investments consider inclusion of all kinds, we can support SDG 5.



### Reduced Inequalities

Through the implementation of diversity and inclusion policies, our investments can provide employment opportunities for all, and ensure they are inclusive to all end-users.



### Clean Water and Sanitation

Through the responsible use and management of water resources, our investments can support the goals of SDG 6.



### Responsible Consumption and Production

By seeking out reusable and recyclable equipment and incorporating circular principles into lifecycle management of assets, our investments can actively support SDG 12.



### Affordable and Clean Energy

By considering the energy efficiency measures and the purchase or production of renewable energy, we can actively support SDG 7.



### Climate Action

By strengthening the resilience and adaptive capacity of our investments to the physical risks of climate change, we can actively support SDG 13.



### Decent Work and Economic Growth

By ensuring that our investments provide long-term, sustainable employment and promote skills development, we can actively support SDG 8.



### Life on Land

By actively considering and managing the impact of new and existing infrastructure on biodiversity and ecosystems, we can actively support SDG 15.



# AMBER HORIZONS

***The world we know is changing rapidly. As long-term investors, we recognise the need to consider how this could impact our core business activities and long-lasting operations.***

Amber Horizons is our award-winning<sup>1</sup> sustainability and innovation programme that challenges our business to take the long-term view and consider all aspects that can impact performance and create opportunity.

Using the best sources of information, Amber regularly undertakes in-house research to keep an informed view of emerging trends that have the potential to positively or negatively impact the performance of our investments and

business operations. This research directly informs our business strategy, our approach to investment and our corporate culture.

The image below highlights some of the key trends we are monitoring as part of our Amber Horizons programme.

## TECHNOLOGY

### ▶ NEW MOBILITY



### ▶ CLEAN ENERGY TRANSITION



### ▶ DIGITALISATION



### ▶ MODERN METHODS OF CONSTRUCTION



## ENVIRONMENT

### ▶ FLOODING AND SEA LEVEL RISE



### ▶ INCREASING TEMPERATURES



### ▶ AIR QUALITY

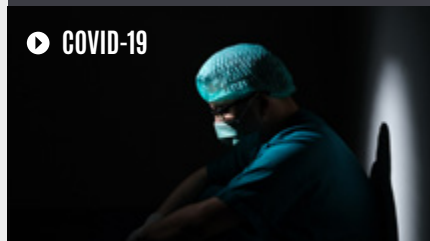


### ▶ BIODIVERSITY



## SOCIETY

### ▶ COVID-19



### ▶ INVESTOR PREFERENCES



### ▶ AGEING POPULATIONS



### ▶ SECURITY



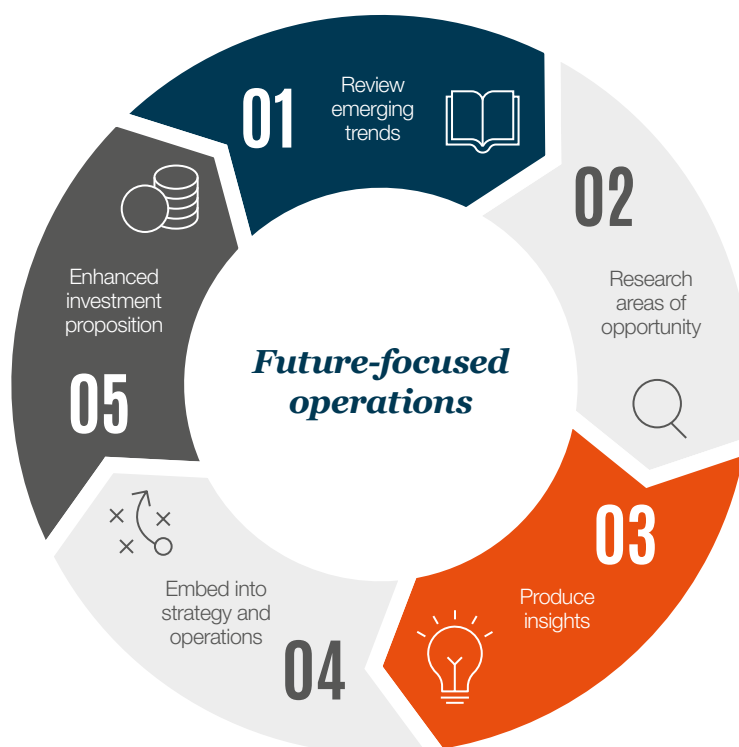
<sup>1</sup> <https://www.esginvesting.co.uk/awards/shortlistedfinalists2021/>.



## AMBER HORIZONS RESEARCH PROCESS

Through the Amber Horizons research process, we seek to gain insights that create opportunities for new investments and products. Where our research leads to opportunities that we believe in but perhaps do not consider are mature enough for thirdparty investment, Amber will frequently invest its own capital to demonstrate proof of concept in projects.

Amber has recently made several frontier investments, evidenced by the case studies below. Examples of how we are actively managing existing investments in line with our key trends are provided on pages 28–41.



### CLEAN ENERGY TRANSITION



We have growing expertise in the development of battery storage projects. We have developed and financed one of the UK's first batteries deployed to support a high-energy user by managing site load, providing ancillary services to the UK's centralised grid operator, National Grid. Building on this experience, Amber has commenced construction on a 50MW, shovel-ready battery due for operations in 2022. As the world transitions to renewables, battery storage will play a significant role in supporting dynamic management of the electricity grid.

### FLOODING AND SEA LEVEL RISE



Through a competitive procurement process by the City of Annapolis, Maryland, in the United States, Amber and Hunt were selected to redevelop the existing Hillman Garage and implement resiliency solutions for the City Dock in downtown Annapolis. The Annapolis City Dock sits at the heart of the community's historic and economic district and is the City's primary interface with the Severn River and the Chesapeake Bay. Protecting the City Dock against sea-level rise and flooding is essential for advancing its economy and safeguarding its cultural and historical heritage.

### NEW MOBILITY



MEEF, managed by Amber, has provided a loan to Zenobe Energy to install a charging infrastructure solution at a bus depot operated by Abellio London, in Walworth, London, UK. The charging infrastructure will serve the single-decker P5 and new C10 bus routes across London. MEEF's investment forms part of a wider funding package being delivered by Zenobe Energy which includes the electric buses.



# STRENGTHENING ALIGNMENT WITH THE PARIS CLIMATE AGREEMENT OBJECTIVES

*The transformation of the global energy system needs to accelerate substantially to meet the objectives of the Paris Agreement to limit the rise in average global temperatures to well below 2°C, and ideally to 1.5°C. Amber is supportive of the objectives of the Paris Agreement and is driving climate action in three key areas.*

## 1. DEVELOPING AND INVESTING IN GREEN ENERGY INFRASTRUCTURE

*To advance the global energy transformation, investment in renewable energy needs to be scaled up significantly and urgently. In its latest analysis, Global energy transformation: A roadmap to 2050, the International Renewable Energy Agency (IRENA) estimates that to put the world on track with the objectives of the Paris Agreement, cumulative investment in renewable energy needs to reach \$27 trillion in the 2016-2050 period. In supporting this transition Amber will continue to invest in renewable energy generation, transmission and asset management solutions.*

### Investing in renewable energy generation

Amber has a long track record of investing in renewable energy generation. In 2014, Amber developed the technical and funding solution to install a 6.0MW array on the roof of Marks & Spencer's Castle Donington distribution hub, which was the largest in Europe at the time. Most recently, Amber-advised 3SIIF recently completed its first energy investment into Enery Development GmbH ('Enery'), an operations-led renewable energy developer. Enery owns a portfolio of 85MW of operating solar generation assets in Bulgaria, Czech Republic and Slovakia and has a significant development portfolio of over 2GW in Central and Eastern Europe.

### Investing in supporting infrastructure

Amber pioneered investment into offshore wind electricity transmission. Amber-advised INPP is the largest UK offshore transmission owner, currently owning and managing seven of the 24 OFTOs granted to date in the UK and is preferred bidder on three additional projects. Two years ahead of the official launch of the OFTO programme in 2010 by Ofgem, the electricity and gas regulator, Amber established a team to track the sector, providing key inputs into the consultation process that ultimately determined the investment regime.

### Asset management

In 2017, Amber recognised that the major growth in utility-scale wind and solar in the Australian electricity market would create an operational challenge for many of the developers and investors, due to the dynamic nature of the investments and market. By drawing on its experience in infrastructure asset management, Amber established Overwatch Energy in 2019, an energy asset management company now managing over 20 assets, totalling 2.8GW of renewable energy.



## 2. SUPPORTING NET ZERO SOLUTIONS

*The road to Net Zero is complex. Whilst some technologies and financing solutions are clear, significant work is required to develop suitable financing and to de-risk frontier technologies that will be required over the coming years. Amber is committed to developing innovative financing solutions, supporting its investments to innovate and to invest its own capital in projects it believes in.*

### Developing financing solutions

In response to what we considered a pressing need, Amber was appointed as Fund Manager for its first energy efficiency fund in 2011, which had the express objective of investing in assets which demonstrated the ability to significantly reduce emissions. Amber now manages three public sector funds, MEEF, LEEF and SPRUCE, dedicated to channelling affordable finance to support decarbonisation. As a result of this policy-driven agenda, fund financial targets are breakeven or low single digit returns and emphasis is instead placed on non-financial metrics, targeting over 63,000tCO<sub>2</sub>e reduction per annum, alongside providing a financial return for investors.

### Unlocking technical solutions

Identifying the right technical solutions is challenging and we will support our investments to be innovative and find ways of decarbonisation that suit their strengths and regional decarbonisation strategies. For example, decarbonising heat is a significant challenge. The UK Government's ten-point plan clearly states the integral role of hydrogen and Carbon Capture and Storage ('CCS') in its Net Zero strategy. Amber-advised INPP investment Cadent is undertaking important research to demonstrate the potential for hydrogen to decarbonise heating in the home and industry through its innovative demonstration projects HyDeploy and HyNet. Amber will continue to support Cadent in this vital research and will draw on this experience to inform wider consideration of hydrogen for new investment opportunities across its balance sheet and fund mandates.

### Frontier investment

The transition to Net Zero will require a fundamental shift in the infrastructure society needs. Amber will continue to support the development and financing of innovative new technologies required to support the transition to Net Zero. For example, we have developed and financed one of the UK's first batteries deployed to support a high-energy user by managing site load, providing ancillary services to the UK's centralised grid operator, National Grid. Building on this experience, Amber is due to start operations on its 50MW battery in late 2021.

## 3. ALIGNING OUR ACTIVITIES WITH THE PARIS AGREEMENT OBJECTIVES

*Amber is committed to aligning its business operations and financing activities with the objectives of the Paris Agreement. This includes aligning investment decision making with the objectives of the Paris Agreement, reducing our own emissions, strengthening climate disclosures and working to decarbonise investment projects and companies.*

### Aligning investment activities with the objectives of the Paris Agreement

Amber has aligned its investment activities with the objectives of the Paris Agreement. Amber will retain independent thinking and will be guided by our own research, but we will increasingly draw on recognised frameworks such as the EU Taxonomy for Sustainable Activities to assist our decision making.

### Reducing our own emissions

As part of our annual Planet Mark certification, we collate our carbon footprint for our business operations and target an annual reduction of at least 5%. In 2020, we offset emissions from our operations and are committed to developing a robust Net Zero approach for our business.

### Strengthening climate disclosures

Amber is a supporter of the Task Force on Climate-related Financial Disclosures and is working to enhance the disclosures of its funds where it is desirable for its investors.

### Decarbonising investment projects and companies

We have continued to work with portfolio companies to consistently measure greenhouse gas emissions and identify emission reduction opportunities. Where we have sufficient control, we will work with these businesses to develop plans that will put them on a pathway to reduce emissions in line with the objectives of the Paris Agreement.



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# 01

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## OUR APPROACH

# FUTURE FOCUSED

***Covid-19 has demonstrated how quickly the status quo can change and transform what is considered normal.***

Our approach to sustainability is firmly focused on the future to ensure Amber continues to create long-term, sustainable investment solutions for our investors and communities as a trusted partner of the public and private sector.

We can't know what the future holds, but our Amber Horizons programme ensures we have a structured approach to considering emerging trends as part of our business strategy, investment decision making and corporate culture.

## AMBER HORIZONS

Using the best sources of information, Amber regularly undertakes in-house research to keep an informed view of emerging trends that could lead to new investment opportunities or have the potential to

impact the performance of our investments. These processes involve researching current ESG issues, but also extends to emerging technology trends due to environmental and social drivers.

### TECHNOLOGY

#### ▶ NEW MOBILITY



#### ▶ CLEAN ENERGY TRANSITION



### ENVIRONMENT

#### ▶ CLIMATE CHANGE



#### ▶ AIR QUALITY



### SOCIETY

#### ▶ COVID-19



#### ▶ INVESTOR PREFERENCES



Amber takes the insights gained through this research and integrates them into the core aspects of its business.



#### Governance and business strategy

Current and emerging ESG trends are built into business decision making and governance.

#### Investment integration and ESG stewardship objectives

Material ESG and technology trends are integrated into investment decision making and management through a clear integration framework and policy objectives.

#### Corporate culture

We ensure current and emerging ESG and technology trends are being considered in our corporate culture.



# GOVERNANCE AND BUSINESS STRATEGY

*Amber is committed to responsible growth that is beneficial to our clients, society and stakeholders.*

Our approach to sustainability is firmly set on the future, where we aim to capture opportunities and mitigate risks arising from urbanisation, globalisation, environmental awareness, demographic shifts, technology and climate change. Amber Horizons is our programme to ensure we embed these considerations into our business.

### Sustainability and ESG governance

Amber's Executive Committee, the majority of whom sit on the Board of Amber, is responsible for the stewardship of Amber and oversees the management of its business and affairs.

The Executive Committee discharges its sustainability responsibilities directly through the Risk Committee, ESG Steering Committee, Corporate Social Responsibility ('CSR') Sub-Committee and Diversity and Inclusion ('D&I') Sub-Committee.

The ESG Steering Committee's primary role is to integrate and strengthen Amber's ESG considerations within investment and asset management activities and at a corporate level. The key functions of the Committee include:

1. Strategic direction and continuous development of ESG within Amber;
2. Guiding the Amber ESG approach and approving the annual ESG work-plan;
3. Identifying and prioritising ESG topics for Amber;
4. Keeping Amber's Executive Committee up to date on ESG topics and activities;
5. Reviewing and recommending ESG-related policy proposals for consideration by the Executive Committee;
6. Engaging on ESG topics with relevant stakeholders, (e.g. peers, business partners and non-governmental organisations ('NGOs')); and
7. Ensuring compliance with UN PRI and any other benchmarks to which Amber has membership/affiliation.

Amber's internal ESG technical capacity is led by a dedicated Head of ESG who has been in post since 2018. The Head of ESG actively works with Amber's origination, asset management, investment management, capital solutions and investor relations and business operations teams to embed ESG into all that Amber does.

### ESG Policy

Amber's global ESG Policy defines our objectives and approach to embedding ESG in our services and advice to clients, in our operations and in the communities in which we operate. It covers all of Amber's operating entities and employees at all levels are responsible for complying with the Policy. The Policy is reviewed and updated annually.

The objectives outline our aim to be a leader in three key areas:

- 1. Drive sustainable growth.** We will use ESG drivers as an opportunity to create investment opportunities in new markets and generate commercial opportunities.
- 2. Integrate ESG considerations into all aspects of our business.** We will identify and integrate ESG factors into all aspects of our investment, development and management decision making and analysis to protect and enhance value.
- 3. Advance environmental and social progress.** We will actively work towards improving the environmental and social performance of our funds, investments and business operations by focusing on material ESG issues and Sustainable Development Goals.

Amber's global ESG Policy and strategic priorities are incorporated into our business through a detailed ESG Integration Framework, which is summarised on our [website](#). It includes details on roles and responsibilities, minimum ESG requirements, training requirements, third party requirements and alignment with recognised bodies.

### Sustainability and ESG frameworks

To deliver the ESG Policy and our sustainability objectives, Amber draws on several frameworks and benchmarks to provide direction. These frameworks are reviewed on an annual basis to ensure that we remain at the forefront of sustainable investment and operations.

## EXECUTIVE COMMITTEE

The ESG Steering Committee has formal channels of communication to the Executive Committee with the following interface:

- Agree annual ESG plan December each year
- Quarterly update of progress against annual ESG plan
  - Monitor ESG performance (UN PRI)
  - Budget recommendations/approvals

## ESG STEERING COMMITTEE

### D&I SUB-COMMITTEE

The ESG Steering Committee has the following interface with the CSR Sub-Committee:

- D&I Sub-Committee develops annual plans for D&I activities
- ESG Steering Committee approves D&I plans prior to submission to Executive Committee as part of annual ESG plans

### CSR SUB-COMMITTEE

The ESG Steering Committee has the following interface with the CSR Sub-Committee:

- CSR Sub-Committee develops annual plans for CSR activities
- ESG Steering Committee approves CSR plans prior to submission to Executive Committee as part of annual ESG plans

## RISK AND CONTROLS COMMITTEE

The ESG Steering Committee has the following interface with the Risk and Controls Committee:

### Investment process

- The ESG Steering Committee signs off on ESG-related risk disclosures within the risk assessment section of the Capital Approval Request process

### Asset management

- Helps design and update ESG matters within the standard risk templates
- Provides regular updates on emerging risk from an ESG/climate change perspective
- Reviews quarterly risk reports (ESG and climate change section) for responsiveness of risk assessment, quantification, reporting and disclosure

### Ambition

We believe that by investing in infrastructure that supports a sustainable, prosperous, equitable and resilient society, we will maintain robust financial performance for our shareholders and fund investors. Amber is supportive of the 2030 Agenda for Sustainable Development adopted by the UN Member States in 2015. Alongside our own research into emerging trends and technologies, we draw on the SDGs to help guide our approach to sustainability.



### ESG integration

To benchmark our ESG integration performance, Amber became a signatory of the UN PRI in 2019. All investment-related activities by Amber are in line with commitments to the Principles, which includes all activities relating to the funds we manage.

In addition to integrating ESG into core investment practices across the business, Amber participates in various PRI-led initiatives and working groups such as the UN Sustainable Development Goal Infrastructure Working Group.

Reporting is compulsory for all PRI signatories. It is one of the explicit commitments that signatories make when signing the Principles. Upon joining the UN PRI, signatories have a one-year grace period whereby the first reporting cycle is voluntary. We elected to bypass this grace period and are pleased to report that Amber obtained an A+ ranking for both the Strategy and Governance and the Infrastructure modules.



### Climate change

Climate change presents both transitional and physical risks and opportunities for our business and investments. As such, it continues to be a high priority for Amber. The Executive Committee resolved to align its investment activity with the objectives of the Paris Agreement and support the recommendations of the TCFD. Amber is actively developing a carbon footprint from across its investments to establish a baseline and will be developing ways to enhance its consideration and disclosure of transition and physical risks of climate change.



### Infrastructure performance standards

We know that our biggest impact on sustainable development is through the investments we make. Amber invests in a wide range of infrastructure assets and businesses. Amber's priority is to ensure it focuses on material issues for each sector in which it invests.

Amber draws on good international industry practice to help identify what is important for each sector in which it invests. In 2019, Amber incorporated the International Finance Corporation ('IFC') performance standards and World Bank Environmental, Health and Safety Guidelines as part of its ESG minimum requirements. Amber also draws on several sustainability benchmarks of underlying investments, including **BREEAM**<sup>1</sup>, **LEED**<sup>2</sup>, **S&P Global Ratings**<sup>3</sup> and **GRESB Infrastructure**<sup>4</sup>.

### Emerging regulatory frameworks

Amber is mindful and supportive of several emerging regulatory frameworks in relation to sustainable finance, particularly the EU Sustainable Finance Disclosure ('SFDR'), and EU Taxonomy for Sustainable Activities. As a UK-based Alternative Investment Fund Manager and Adviser, Amber is not required to make any specific disclosures at the time of publishing this report. However, Amber is committed to supporting its investors and to upholding the highest reporting practices and transparency on its activities and will continue to evolve reporting for its clients and investors accordingly.

### Business sustainability performance

Whilst integrating ESG considerations into our investments is of paramount importance, we also value the importance of managing our operations sustainably. Amber is certified to The Planet Mark, an internationally recognised and trusted sustainability certification programme and is committed to measuring and reducing its carbon footprint and wider sustainability metrics. As part of our enhanced approach to climate change action, we elected to offset the emissions of our operations in line with PAS2060 requirements, representing an important step towards Net Zero ambitions.



### Risk management

Effective risk management is a fundamental part of Amber's governance structures. Amber aims to foster a culture that critically identifies and analyses risk in each of its funds under management throughout the fund lifecycle. In our view, the success of our funds depends, in part, on the rigour of the risk identification and mitigation processes. Amber's risk management process comprises the following key elements:

- Governance framework
- Risk identification
- Risk measurement and mitigation
- Risk reporting and monitoring

We adopt a layered approach with multiple lines of defence to protect against potential failures in risk management. The Risk and Controls Committee is an independent committee responsible for the implementation of risk management processes and procedures as well as providing oversight on conflicts and related party matters. It provides one of our key lines of defence and works closely with the ESG Steering Committee to ensure that relevant ESG risks and opportunities are captured and managed appropriately.

Risks are regularly reviewed at business, fund and asset levels. Many ESG aspects are dealt with at the investment level; however, certain issues will be managed at business and fund levels, including issues such as Covid-19, climate change and diversity.

<sup>1</sup> <https://www.breeam.com/>.

<sup>2</sup> <https://www.usgbc.org/leed>.

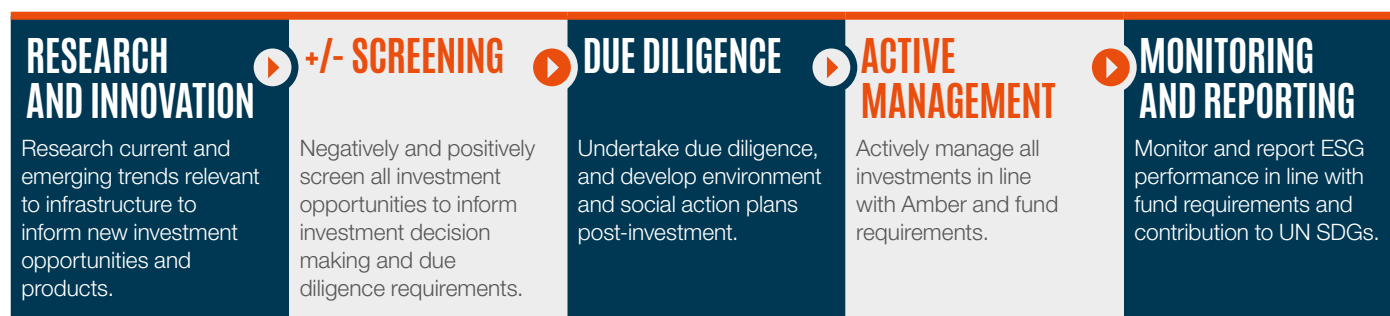
<sup>3</sup> <https://www.spglobal.com/esg/solutions/>.

<sup>4</sup> <https://gresb.com/infrastructure-asset-assessment/>.



# INVESTMENT INTEGRATION

*Integration of our strategic sustainability objectives and ESG drivers into investment decision making is an essential part of our investment process, as summarised below.*



## Research and innovation

Using our Amber Horizons insights, our specialist team undertakes targeted research that examines the potential for new investment and fund opportunities. The future-focused insights that Amber Horizons provides complement our culture of investment origination to ensure that we are always pursuing investment opportunities that will create value over the long term and that we are pioneer in what we do. Amber seeks to take a 'first mover' advantage in the infrastructure market.

Where our research leads to unproven opportunities, Amber will frequently invest its own capital in demonstrating proof of concept in projects we believe in.

## Screening and due diligence

Consideration of ESG risks and opportunities is a formal element of the Amber investment origination process. Every investment opportunity undergoes a detailed screening and due diligence process. In line with good international industry practice, Amber categorises potential investments as part of this process. Categorisation draws on the IFC's environmental and social categorisation process, and includes the following categories:

- **Category A** – Investments that have the potential to cause adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented in the absence of mitigation;
- **Category B** – Investments with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; and
- **Category C** – Investments with minimal or no adverse environmental and social risks and/or impacts.

This categorisation then drives the level of due diligence undertaken, including assessment against emerging and future trends that could impact the long-term viability of the investment.

Amber also positively screens each investment to identify those that are directly contributing towards the SDGs, or through Amber's involvement, could transition to become an environmentally or socially positive investment.

The outcomes of due diligence are included in our Capital Approval Request Process, which presents all material issues to the relevant Investment Committee ahead of final decision making.

## Active management

Amber seeks influence in all investments, whether through absolute holding or a comprehensive set of consent rights over reserved matters. Members of the investment team work closely with asset management representatives to manage risk, drive operational and financial best practice, monitor performance and optimise returns to investors and our wider stakeholders.

The way Amber manages the investment varies according to investment type, summarised below:

### Operating businesses and regulated investments

Amber actively engages through Board Director positions, supported by its specialist asset management team at a hands-on operational level (rather than solely at a governance level) to ensure material ESG issues are being dealt with appropriately by management.

### Public-private partnerships

Amber actively manages material ESG factors through its specialist asset management team and oversight of third-party contractors. This applies to both construction and operational assets.

## Senior debt

Engagement on material ESG risks is typically concentrated in the screening and due diligence phase. Where Amber provides senior debt (predominantly through our MEEF, LEEF and SPRUCE funds), we monitor performance in line with fund requirements.

Governance arrangements are guided by the type of investment and ownership structure, as opposed to the sector, which typically drives the management of environmental and social aspects.

All investments must meet the Amber's minimum ESG requirements and work towards Amber's sustainability policy aims. Please refer to page 20 for more details on Amber's approach to ESG Stewardship of its investments.

## Monitoring

Amber's asset management team is responsible for monitoring assets and typically provides formal monitoring reports on a quarterly basis. Reports are produced to inform and update senior managers in Amber of any underlying issues on the assets that may require additional time and resource to resolve.

All asset managers follow a 'no-surprise' approach and include any matters that could adversely impact on health and safety, reputation, valuation or distributions, escalating in real time if required.

## Reporting

ESG reporting for respective funds is provided to investors within formats agreed. This includes ESG incorporation into annual reporting frameworks, or specific ESG reports for funds where appropriate. In all reporting, we are led by our investors and what is useful to them. As this is an evolving field, we look to regularly engage with our investors to understand what is important to them. Our overall approach and performance will be reported annually within this sustainability reporting format.





Annapolis Parking Facility and  
Dock Redevelopment Designs  
USA



# ESG STEWARDSHIP OBJECTIVES

By investing in the 'right type' of infrastructure, Amber believes its investments can significantly support the targets set out by the SDGs. For each investment sector, Amber has identified which SDGs its investments are positively supporting. The core benefits to society are described under the Impact section on pages 28-41.

Equally, Amber recognises that infrastructure can have a negative impact on the environment and local communities and is committed to reducing negative impacts and embracing opportunities for improvement as part of its approach to deliver long-term benefits. This section explains our approach to sustainable management of

investments, which is fully integrated into the investment process described on page 18.

The diagram below demonstrates the sequential approach Amber takes towards driving sustainability performance of its investments.



**Exclude**

At the screening stage, Amber assesses whether a potential investment falls within its exclusion criteria, summarised below.

Amber will not invest in infrastructure projects or associated businesses that do not demonstrate the ability or willingness to manage current and future ESG risks effectively, unless as a result of its involvement, Amber will be able to significantly improve its ESG credentials.

This means we will not invest in businesses or sectors relating to arms, tobacco, pornography, gambling, alcohol or any other sectors that have the potential to lead to human rights abuses. Equally, Amber will not invest in any infrastructure projects or associated businesses that have an unacceptable impact on the environment. Amber has aligned its investment activities with the objectives of the Paris Agreement and will not invest in any infrastructure projects or associated businesses that do not have the potential to support/align with a low carbon future.

Finally, Amber will not invest in infrastructure or associated businesses that have a track record of:

- Corrupt practices;
- Poor governance and ethics practices; or
- Poor safety or environmental management.

Except for the exclusions stated above, Amber does not typically exclude infrastructure

companies, sectors or asset types based on any particular activity or ESG exposure. Instead, Amber prefers to engage with the investments in its portfolio and use its position to influence positive change.

**Minimum requirements**

The following minimum requirements must be applied across all investments to ensure a solid foundation of governance is applied and that there is no significant harm to environmental and social receptors. Compliance with these requirements is assessed at the due diligence stage of the investment process. Where minimum requirements are not met, Amber works directly with its investments to ensure they meet the requirements.

**Robust corporate governance**

Amber is committed to the highest level of corporate governance. All investments are actively managed in a way that reflects Amber's commitment to the highest standards of corporate governance.

Governance arrangements are guided by the type of investment and ownership structure, but a minimum set of policies, processes and practices must be demonstrated by the investment. This includes, but is not limited to, policies and procedures for:

- Conflicts of Interest
- Anti-corruption and Financial Crime Mitigation
- Transparency, Diversity and Accountability

- Sustainability and Compliance
- Data Protection and Cyber Security
- Health and Safety

**Good international environmental and social practice**

Each investment must meet applicable local, national and international environmental and social legislation, or the International Finance Corporation ("IFC") Performance Standards (whichever is the most stringent). Due to the regions of Amber's investments, local regulation typically means Amber's investments must meet high standards of environmental and social compliance, particularly around environmental impact assessment, health and safety, and human and labour rights.

**Improve**

Amber's minimum requirements ensure a solid foundation of robust corporate governance and avoidance of negative environmental and social impacts. To help drive the sustainability performance of its investments, Amber has also established a set of discrete sustainability aims. These are considered at the due diligence stage of the investment process and are incorporated into our approach to active management.

Amber's active management sustainability aims are described adjacent.

## SUSTAINABILITY POLICY AIMS

### CLIMATE CHANGE

#### Aim

Ensuring investments are as resilient as possible to the physical risks of climate change.



### ENERGY AND GREENHOUSE GASES

#### Aim

Reduce carbon emissions to work towards alignment with the goals of the Paris Agreement to limit global warming to well below 2°C and, ideally, to 1.5°C.



### NATURAL RESOURCES

#### Aim

Reduce consumption of natural resources, work towards elimination of waste to landfill and move towards a circular economy.



### POLLUTION AND AIR QUALITY

#### Aim

Reduce all types of net pollution and work towards maintaining and improving air quality.



### BIODIVERSITY AND ECOSYSTEMS

#### Aim

Consider biodiversity and enhance it where possible.



### DECENT WORK

#### Aim

Encourage the promotion and creation of sustainable permanent employment for local communities.



### COMMUNITY

#### Aim

Ensure investments are accessible to the widest group of users and available to serve local communities.



### DIVERSITY AND INCLUSION

#### Aim

Support investments to create an open and inclusive working environment.



### HEALTH AND SAFETY

#### Aim

Encourage a zero-harm culture across all investments.



### TECHNOLOGY AND INNOVATION

#### Aim

Work with investments to consider material future technology driven opportunities and risks.



These active management sustainability aims have been developed to target areas Amber believes it can meaningfully influence through good stewardship of its investments. Naturally, this will vary between the types of investments within Amber's portfolio, and it may not always be possible or desirable to implement them across all investments.

Where possible, Amber draws on recognised third party benchmarks ('designated index') to serve as a proxy for assessing whether an investment meets or manages material sustainability credentials.



# CORPORATE CULTURE

## *Amber is committed to driving good practice into all that it does.*

Our corporate culture reflects the same beliefs and principles that guide our responsible investment activities. Corporate culture plays a crucial role in strengthening employee engagement and building trust with investors and other stakeholders. As we strive to grow and develop our business, our focus remains on strengthening our culture and creating an environment where our employees can thrive.

### **A responsible employer**

The commitment, skills and expertise of our employees are critical to our success. This importance is reflected in our focus on recruiting, retaining and developing the best talent. We reward our employees fairly, provide learning and development opportunities and continually explore how we can provide a working environment that enables our teams to perform to their full potential. We actively encourage our teams to innovate and drive the business forward. We recruit and reward our employees on merit. We focus on several areas to ensure we are a responsible employer, including the following:

### **Diversity and Inclusion**

At Amber, we understand that being open to diversity will expand our access to the best talent and inclusion will allow us to engage and retain our talent effectively. Commitment to D&I helps us create better long-term, sustainable investment solutions for our investors and communities.

Recognising this, Amber strengthened its approach to D&I through the formation of the D&I Sub-Committee in March 2021, which reports directly to the ESG Steering Committee. The D&I Sub-Committee is responsible for ensuring that the Amber Board's D&I strategy and approach is integrated into all Amber activities, including its corporate culture.

### **Keeping employees informed, connected and safe**

Amber's policy is to prioritise the health, safety and welfare of all its employees and others who may be affected by its activities and services. Our policy is to provide a healthy and safe working environment, safe equipment and systems of work, adequate information, instruction, training and supervision, as may be required.

### **Learning and development**

Advancing our business goals depends on our ability to attract, retain and motivate our people. Therefore, we are committed to providing our employees with the opportunities, experience and training to achieve their potential and grow their knowledge, skills and capabilities. In 2020, we enhanced our Amber Horizons lunch and learn series by launching a structured training programme in addition to our existing training programme. Amber also has an established training and study policy developed in line with Amber's belief in the need to develop all employees, whether employed on a full-time or part-time basis. The business pays 100% of any fees associated with appropriate courses and allows time off work to study.

In addition to our annual appraisal process, line managers are also encouraged to engage in more informal regular discussions with employees to understand their drivers, develop needs and concerns, and help build trust between the manager and team.

### **Remuneration**

Incentivising our staff to support our sustainability objectives is a priority for our business. We're pleased that 100% of staff had sustainability performance objectives related to their role and responsibility.

### **A good corporate citizen**

We strive to embed sustainable and responsible business practices throughout our organisation. We have robust policies and processes in place and actively promote our organisation's values and culture.

Amber's mandatory standards of conduct and behaviour are promoted and enforced through its Code of Conduct. The objectives of the code are to ensure:

- All employees observe high standards of corporate and individual behaviour in the context of their employment with Amber.
- Employees are aware of their responsibilities to Amber under their contract of employment and always act ethically and professionally.
- All those who deal with Amber, whether it be employees, shareholders, suppliers, clients or competitors, can be guided by the stated values and practices of Amber.
- Employees are trained to understand and recognise human rights and modern slavery risks, and to report concerns. We monitor modern slavery risks in our supply chain, conducting risk assessments and further due diligence of suppliers if required.

- Our Anti-Bribery Policy sets out our zero-tolerance policy on bribery and corruption in any form, and this message is reinforced through mandatory annual training for employees. We require people to report any suspected breaches of our Code of Conduct or any other unethical activities anonymously if they choose or through our whistleblowing framework.

### **Driving environmental and social progress**

We have aligned our CSR activities to the **Good Life Goals**. The Good Life Goals are the personal actions that everyone around the world can take to help support the Sustainable Development Goals. They are an effort to help global audiences recognise the vital role of individual action in achieving the SDGs. Each of the 17 Good Life Goals has five actions, and all the actions relate directly to the SDG targets.



### **Goodlife goal 3: Stay well**

Covid-19 has resulted in unprecedented changes in the way we work and live, with both positive and negative impacts for many. To support our employees, we have run local campaigns to keep health and safety at the forefront of people's minds. We prioritise wellbeing so employees feel supported in their personal and work lives.

Over the past 12 months, we continued our focus on mental health, particularly because of the impact of Covid-19. We launched various initiatives to keep connected, including virtual coffee afternoons, digital town halls and continued sharing of our 'Amber Connect' bulletin. Our trained Mental Health First Aiders have been proactively engaging with employees to provide support and seek views on how Amber can best support its staff through the pandemic.

To support our staff to stay physically fit during lockdown, Amber employees proactively established Company-wide online exercise classes. These sessions presented a good opportunity for employees to stay active, boost their mental health and stay connected.

GREENHOUSE GAS ('GHG') EMISSIONS (TCO <sub>2</sub> e)	YE 2019	YE 2020	% CHANGE
Scope 1: Natural gas	8.3	4.0	-52.5%
Scope 2: Electricity (location based)	59.4	35.0	-58.97%
Scope 2: Electricity (market based)	10.2	4.3	-42.13%
Scope 3: Waste, water, travel, paper use	252.6	91.7	-36.29%
<b>Total (location based)</b>	<b>320.3</b>	<b>130.7</b>	<b>-40.80%</b>
<b>Total (market based)</b>	<b>271.1</b>	<b>99.9</b>	<b>-36.86%</b>
Location based GHG intensity (tonnes of CO <sub>2</sub> e per employee)	2.8	1.1	-40.80%
Market based GHG intensity (tonnes of CO <sub>2</sub> e per employee)	2.4	0.9	-36.86%



#### Goodlife Goal 7: Use clean energy Emissions

As part of our annual Planet Mark certification, we collate our carbon footprint for our business operations and target an annual reduction of at least 5%. In 2020, we are pleased to report an improvement of 36.86% against our 2019 market-based carbon footprint. We do recognise that this is an unusual year and will set future targets against our 2019 carbon footprint to help make

meaningful changes. Amber also decided to offset its residual emissions as part of its journey to Net Zero. Please refer to the [Responsible Investment](#) page of our website for more information on how we calculate our carbon footprint.

#### Goodlife Goal 12: Reuse, repair, recycle, share and borrow

We continue to identify ways to reduce waste and move towards more circular business models. We've recently been promoting a recycling scheme to provide old smartphones to vulnerable users (including the elderly, domestic abuse victims, and low-income households). Four out of five smartphones are sitting in someone's drawer and still working so this is a great initiative to recycle disused old smartphones. We are also exploring ways to move our IT equipment to a more circular model.

#### Goodlife Goal 17: Get involved and volunteer in your community

Amber manages over 260 schools internationally, providing the facilities that support the education

of over 195,000 students each year. We believe that a quality learning environment is critical in supporting a good education, but recognise it is only part of the process of learning.

To support vulnerable children in the education system, we have chosen to support the Magic Breakfast. Magic Breakfast aims to end hunger as a barrier to education in UK schools through the provision of healthy breakfasts. With as many as 1.8 million school age children being at risk of hunger in the UK, Magic Breakfast provides nutritious breakfasts to children as fuel for learning and expert support to schools to help identify and reach those pupils that are at risk of hunger.

We are running several initiatives to raise money for Magic Breakfast. In 2020, 13 Amber teams competed against one another to see who could virtually reach each of our European offices first, via Edinburgh - London - Munich - Vienna - Prague - Warsaw, by walking, running, cycling and swimming where they live, completing exercise in excess of 3,000km.

## CARBON NEUTRAL

As part of our Planet Mark certification, we have been working to reduce our emissions. At the moment, we're not able to completely avoid emissions entirely, and have decided to offset residual emissions as part of our journey towards Net Zero.

To offset our 2020 operational emissions, we have drawn on Planet Mark's offsetting scheme. To ensure credibility, emissions have been offset using Gold Standard Certified Forestry carbon offsets. Forestry offsets were selected due to the multiple benefits that can be achieved in addition to carbon sequestration, including biodiversity and climate adaptation benefits.





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# 02

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## 2020 RESPONSIBLE INVESTMENT PERFORMANCE

# 2020 PERFORMANCE

*Amber has been actively working to enhance its approach to ESG across its portfolio, with the following highlights against its ESG Policy objectives.*
















## DRIVE SUSTAINABLE GROWTH

### OBJECTIVE

To use ESG drivers as an opportunity to create investment opportunities in new markets and generate commercial opportunities.

### 2020 PROGRESS

In 2020, Amber made the following sustainable investments. All these investments contribute towards SDG 9, through the provision of quality, reliable, sustainable and resilient infrastructure. Please refer to pages 8–9 and 28–41 to find out more about how Amber supports the SDGs.

 <b>Cargounit</b> Sector: Transport Investing entity: 3SIIF	 <b>NDIF</b> Sector: Digital Investing entity: INPP
 <b>Greenergy</b> Sector: Digital Investing entity: 3SIIF	 <b>Diabolo Rail Link</b> Sector: Transport Investing entity: INPP
 <b>Zenobe</b> Sector: Transport Investing entity: MEEF	 <b>BSF Essex Project</b> Sector: Education Investing entity: INPP
 <b>energetik Heat Network</b> Sector: Transport Investing entity: MEEF	 <b>BSF Bradford and Lewisham Projects</b> Sector: Education Investing entity: INPP
 <b>Southwark Heat Networks</b> Sector: Sustainable Energy Investing entity: MEEF	 <b>BSF Blackburn and Darwen Projects</b> Sector: Education Investing entity: INPP
 <b>Annapolis Flood Defences</b> Sector: Social Infrastructure/Environmental Infrastructure Investing entity: Amber	 <b>Atlantic Quay</b> Sector: Urban Development Investing entity: SPRUCE
 <b>Biddeford Car Park and Riverwalk</b> Sector: Urban Development Investing entity: Amber	 <b>NW1a, South Gyle</b> Sector: Urban Development Investing entity: SPRUCE
 <b>San Marcos Public Services Complex</b> Sector: Urban Development Investing entity: Amber	



# 2020 PERFORMANCE CONTINUED

## INTEGRATE ESG CONSIDERATIONS INTO ALL ASPECTS OF OUR BUSINESS

### OBJECTIVE

To identify and integrate ESG factors into all aspects of our investment, development and management decision making and analysis to protect and enhance value.

### 2020 PROGRESS

#### Achieved A+ for Strategy and Governance, and Infrastructure modules

Amber is pleased to report we obtained an A+ ranking for both the Strategy and Governance and the Infrastructure modules in 2020 in our first year of reporting.

#### Taskforce on Climate-related Financial Disclosures alignment

Climate change presents both transitional and physical risks and opportunities to Amber's business strategy and investments. As such, it continues to be a high priority for Amber. As noted on page 17, Amber is a supporter of the Task Force's recommendations on Climate-related Financial Disclosures and is working to enhance the disclosures of its funds where it is desirable for its investors.

#### Climate change considerations enhanced in deal screening and risk management processes

Risks are monitored via annual business plans, through the lens of Amber's risk management matrix. Amber has introduced additional requirements for assessing transitional and physical risks of climate change as part of ongoing asset management and assessment of new investment opportunities. Transaction teams are supported with in-house climate change risk expertise.

#### Monitored requirements for EU Sustainable Finance Disclosure Regulation

Amber is mindful and supportive of several emerging regulatory frameworks in relation to sustainable finance, particularly the SFDR and EU Taxonomy. As a UK-based Alternative Investment Fund Manager and Adviser, Amber is not required to make any specific disclosures at the time of publishing this report. However, Amber is committed to supporting its investors, upholding the highest reporting practices and transparency on its activities, and continuing to evolve reporting for its clients and investors as these emerging regulations are finalised.

## ADVANCE ENVIRONMENTAL AND SOCIAL PROGRESS

### OBJECTIVE

To actively work towards improving the environmental and social performance of our funds, investments and business operations by focusing on material ESG issues and sustainable development goals.

### 2020 PROGRESS

#### Paris Agreement alignment

To reduce risk and maximise long-term opportunity, Amber has strengthened its alignment with the objectives of the Paris Agreement. Whilst Amber will maintain independence for investment decision making, it will increasingly draw on internationally recognised policies and frameworks to guide investment decision making and management of its investments.

#### Diversity and Inclusion Committee

Amber strengthened its approach to D&I through the formation of the D&I Sub-Committee, which reports directly to the ESG Steering Committee. The D&I Committee is responsible for ensuring that the Amber Board's D&I strategy and approach is integrated into all Amber activities, including its corporate culture.

#### Carbon neutrality

Amber continued to reduce its emissions in line with the requirements of the Planet Mark certification. In 2020, we enhanced our commitment by becoming carbon neutral for our operations.

#### Covid-19

Amber continued to facilitate the provision and deliver essential public services throughout the pandemic and protect the health and safety of staff and users to avoid disruptions caused by Covid-19. The wellbeing of the people who deliver, manage and operate Amber's infrastructure investments, and the communities they serve, has remained our priority during the last 12 months. As always, we are focused on helping our clients achieve their service requirements through disciplined long-term investing.

#### Enhanced data capture

Drawing on its sustainability policy aims, emerging regulation and wider best practice, Amber is in the process of collecting enhanced ESG data from across the portfolio. This is to ensure alignment with emerging regulation and to support our Sustainability Aims.

#### Active management

Over the course of 2020, Amber has increased its focus on driving sustainability performance improvements across its portfolio. This comprises a specific focus on social infrastructure and rail investments, where it has sufficient influence. Please refer to the following sector-specific sections for more detail.

## 2020 PERFORMANCE DATA

*Amber's portfolio of investments is broad, with significantly different ESG impacts, risks and opportunities. As such, we follow a sector-based approach to disclosing ESG performance across the investments we manage. These sectors are summarised below.*



**SUSTAINABLE ENERGY**



**TRANSPORT**



**WASTE WATER**



**CONVENTIONAL ENERGY**



**SOCIAL INFRASTRUCTURE**



**DEMOGRAPHIC INFRASTRUCTURE  
AND URBAN DEVELOPMENT**



**DIGITAL INFRASTRUCTURE**

Amber is firmly focused on managing material ESG risks and opportunities at the asset level. This allows us to target and manage material ESG issues, which can vary considerably across a diverse portfolio of investments. Through its bi-annual survey, Amber monitors over 30 indicators to assess portfolio performance against its minimum requirements and active management sustainability aims.

Amber is working towards producing a harmonised suite of portfolio level indicators across the investments it manages that will support its investors to measure progress and provide them with disclosures required by TCFD, SFDR and expected UK-specific requirements.



# SUSTAINABLE ENERGY

## Overwatch Energy, Australia

Photo Credit: Lincoln Gap Wind Farm, courtesy of Nexif Energy

***As the impacts of a changing climate become increasingly apparent, it has never been more important to transition towards efficient, well managed sustainable energy systems.***

### Amber's role

Amber has been at the forefront of allocating capital to sustainable energy projects internationally and has mobilised over £900 million into supporting the transition to clean energy systems. In 2011, Amber was appointed as fund manager for one of the UK's first dedicated energy efficiency funds, LEEF, and followed this with two further government-backed low carbon debt investment vehicles, MEEF and SPRUCE.

Amber-advised INPP pioneered investment into offshore wind electricity transmission. INPP is the largest UK offshore transmission owner, currently owning and managing seven of the 18 OFTO granted to date in the UK and is preferred bidder on three additional projects.

Energy is a pillar of the investment strategy for Amber-advised 3SIF. In 2021, 3SIF acquired a significant interest in Eney Development GmbH ('Eney'), an operations-led renewable energy developer.

Amber also invests its own capital into renewable projects internationally. For example, earlier in 2021, Amber launched Circle Power Renewables, expanding Amber's existing joint venture with the principals of Circle Power. Scotia Wind, the joint venture's first project, is a 60MW wind project in Michigan's Upper Peninsula that recently secured long-term Power Purchase Agreements with Upper Peninsular Power Company.

### Impact

Investment in sustainable energy directly supports UN SDGs 7 and 13, with the following key benefits.

#### Reduced greenhouse gas emissions

Sustainable energy is a critical component to transitioning towards a global low carbon economy.

#### Increased resilience

Switching to renewables helps to diversify energy supply and reduce dependence on imported fuels.

#### Cleaner air

Sustainable energy and energy efficiency projects result in lower fossil fuel-generated electricity, improving local air quality.

#### Cost savings

Through the implementation of energy efficiency projects, end-users can realise cost savings due to reduced energy usage.

### Sustainable management LEEF, MEEF and SPRUCE Funds

LEEF, MEEF and SPRUCE have specific investment thresholds to ensure that investments can meet strict non-financial performance targets. This includes a stringent measurement monitoring and verification ('M&V') process to ensure funds meet their energy and carbon reduction criteria. The M&V process is applied throughout the investment process, from the initial concept stages to post practical completion.

Amber's in-house technical experts undertake the first-stage review on energy and carbon criteria. Following initial project approval, Amber appoints a third-party technical adviser to verify the energy and carbon savings and monitor the progress of the project during the construction period.

Each project has a bespoke M&V plan developed in accordance with the International Performance

Measurement and Verification Protocol methodology or equivalent. This will identify anticipated energy and carbon savings, as well as other relevant outputs, and the method by which they will be quantified. As fund manager to LEEF, MEEF and SPRUCE, Amber is incentivised to deliver projects that meet additional output targets, including renewable energy generation, number of enterprises supported, and number of houses improved.

### OFTOs

All Amber-managed OFTO investments now operate under a robust ISO 14001 Environmental Management System, which was introduced in 2019. As part of this, each investment monitors energy usage and waste. Considering the hostile environment OFTOs operate in, it is essential to possess a clear view of how resilient the assets are to extreme weather events. All OFTO assets have been designed to meet less than one in 200-year waves. Onshore substations are designed to meet Planning Policy Guidance 25 and have to meet less than one in 100 flood risk. In 2019, there was no flood damage at any onshore substation and no more weather-related damage beyond what would be regarded as in the normal course of business. Across all the sites the OFTOs are mandated by environmental legislation to record the quantity of fluorinated gases ('F Gases') held within the equipment. This includes sulphur hexafluoride ('SF6'), which is used across the energy transmission sector. Any leaks of SF6 are immediately identified by Supervisory Control and Data Acquisition ('SCADA') systems.

100% of OFTO investments are covered by a robust ISO 18001 health and safety system. Transmission Capital Partners implements several training initiatives, with all staff receiving ongoing training relevant to their role. Amber also supported Transmission Capital Partners to develop and implement a Diversity and Inclusion Policy across all investments.

## 2020 Impact



# 1.3 million

Homes powered by renewable energy transmitted by OFTOs



# >£6.5 million

Financial savings per annum from low carbon funds



# >65 million kWh

Annualised energy savings from low carbon funds



# 63,850 tCO<sub>2</sub>e

Annualised carbon savings from low carbon funds

## Sustainable management

## Environment

# 100%

OFTO investments monitor energy

# 100%

OFTO investments monitor waste

# 100%

OFTO investments monitor water usage



## Social

# 100%

OFTO investments operate under a health and safety policy and management system

# 0

OFTO Accident Frequency Rate

# 100%

OFTO investments operate under a Diversity and Inclusion Policy

# 33%

Female employees



## CASE STUDY

**Project** – Southwark District Heating

**Trend alignment** – Clean energy transition

MEEF provided £7 million to the London Borough of Southwark ('Southwark') to support a highly innovative project to provide low carbon heat to over two thousand homes in the borough. The project will extract heat from naturally occurring groundwater using 'open loop' supplied Water Source Heat Pumps to increase the temperature. This heat is then fed into a heat network that delivers the heat directly to homes.

When completed, the project will become the primary heat source for the Consort, Newington and Wyndham housing estates supplying low carbon heat to 2,175 homes with no additional costs passed on to the residents. The project will save 1,774 tonnes of CO<sub>2</sub>e/annum, the equivalent of taking over 1,600 cars off the road. It is expected to reduce energy usage by over 34% compared to the existing heating systems while also creating 3.4MW of renewable energy. The heat pumps will also positively contribute to local air quality by replacing the existing gas boilers, which emit harmful nitrogen oxide and particulate matter.



Photo Credit: Vital Energi



# TRANSPORT



Cargounit, Poland  
Photo Credit: Cargounit

***Well-planned and coordinated transport infrastructure is fundamental to the economic and social wellbeing of a community. It is also becoming increasingly important to combat climate change and has been identified as a crucial part of Net Zero carbon strategies emerging internationally.***

## Amber's role

Amber invests in transport projects and businesses through three funds INPP, MEEF and 3SIF. INPP invests in rail opportunities across the value chain including rail operations and rolling stock leasing entities. These include the Diabolo rail link network extension project in Belgium, the Gold Coast Light Rail and Reliance Rail rolling stock projects in Australia, BeNEX in Germany and Angel Trains rolling stock investment in the UK.

Early in 2020, MEEF extended its Investment Policy to allow it to provide senior debt loans to low emission vehicle schemes that benefit the public sector and SMEs. Eligible projects include electric vehicle charging, alternative fuel stations and hydrogen fuel cells. MEEF can fund the charging infrastructure and required energy grid upgrades as well as low carbon vehicles.

In 2020, 3SIF made its first investment into rolling stock company Cargounit. It is the largest independent locomotive leasing company in Poland and is the sixth-largest rolling stock company in Europe.

## Impact

Investment in sustainable transport directly supports UN SDGs 9 and 11, with the following key benefits.

### Reduced emissions

Rail transport presents a low carbon journey option, especially if the rail is electrified and energy efficient.

### Connected communities

Railways can help connect families, friends, businesses and communities.

### Healthier

Improved public transport services and provision for active travel within urban areas promote positive social and economic impacts, including healthier lifestyles.

### Employment growth and opportunities

Well-functioning rail systems are critical enablers of employment, as well as being large employers in their own right.

## Sustainable management

Amber identified that rail investments provide an opportunity for improvement in sustainable management. Since INPP acquired 100% of BeNEX in 2018, Amber has been closely engaging with the BeNEX board on developing a strategic approach and has been working with it to appoint a thirdparty to undertake a strategic review of its approach to sustainability.

Reliance Rail received its 2020 GRESB Infrastructure Benchmark Report with a five-star rating and score of 94 out of a possible 100. This score ranks Reliance Rail 12th out of 406 GRESB infrastructure assessments and first out of all rail companies.

The product management team within Angel Trains has developed a decarbonisation road map that focuses on new propulsion technologies that eliminate classic diesel propulsion or reduce its impact on emissions and fuel usage. In 2020, Angel Trains invested in new Class 720 Aventura electric rolling stock for the East Anglia region of the UK, which has helped increase the percentage of electric trains under management from 64% to 69%.

Health and safety is the highest priority for the Company's investments, with 100% of rail investments holding a robust health and safety policy and management system. The Accident Frequency Rate ('AFR') for INPP's rail investments for 2020 was 2.2, improving on its 2019 figure of 2.4.

<sup>1</sup> Calculated by pro-rating the valuation of the relevant investments by value attributable to electric trains.

## CASE STUDY

**Project** – Gold Coast Light Rail

**Trend alignment** – Covid-19

All Amber-managed rail investments have taken measures to make travel as safe as possible during the pandemic, enabling communities to stay connected where it is safe to do so. As an example, Gold Coast Light Rail has implemented the following measures:

- Cashless services are operating to reduce cash handling.
- Daily sanitising of all services and regular cleaning of hard surfaces and customer touch points on board services and at stations.
- Running increased services to help maintain social distancing.
- Transport signage promoting distancing where possible and information and messaging adapted regularly based on health advice and customer feedback.

2021 marks ten years since the GoldLinQ consortium was awarded the contract for the design, build, operation and maintenance of Gold Coast Light Rail. The Amber-advised INPP is proud to have been an investor in the consortium since its inception.



**Gold Coast Light Rail, Australia**  
Photo credit: TransLink, Department of Transport and Main Roads

### 2020 Impact



**>151 million**  
Passenger journeys



**>825 million**  
Train km travelled



**5,100**  
Train units



**>2,290**  
Full-time equivalent employees

### Sustainable management

#### Environment

**100%**

Rail investments monitor energy

**60%**

Rail investments monitor water

**40%**

Rail investments monitor waste

**89%**

Composition of train fleet that is electric<sup>1</sup>



#### Social

**100%**

Rail investments operate under a health and safety policy and management system

**2.2**

Accident Frequency Rate

**100%**

Rail investments operate under a Rail Diversity and Inclusion Policy





# WASTE WATER

Thames Tideway Tunnel, UK  
Photo Credit: Tideway

***Environmental infrastructure provides cities and towns with water supply, waste disposal, and pollution control services. These municipal works serve two important purposes: they protect human health and safeguard environmental quality.***

## **Amber's role**

Amber manages the INPP investment, Tideway. In a financing mechanism now referred to in the industry as 'the Tideway model', Amber worked with the UK water regulator Ofwat, Thames Water and fellow shareholder, the UK Government, to create a new licensing regime and contractual structure. The purpose of this structure was to fund a new 25km tunnel to intercept and transfer sewage waste away from the River Thames to treatment centres in East London.

## **UN SDG impact**

Investment in Tideway directly supports UN SDGs 6, 9 and 11, with the following key benefits.

### **Clean water and sanitation**

London's Thames Tideway improvements will significantly reduce polluting discharges into the River Thames by about 37 million cubic metres in a typical year. The Tunnel will intercept the majority of sewage before it enters the river, cleaning up the Thames for future generations of Londoners. This will also help to allow the river to sustain a rich and biodiverse array of wildlife.

### **Increased resilience**

Climate change means London will experience wetter winters, with more instances of intense rainfall. By providing additional capacity to deal with sewage overflows driven by heavy rain, Tideway will also help increase London's resilience to climate change.

### **Sustainable city**

A modernised sewerage network underpins the capital's general economic prosperity. A key economic legacy objective is to contribute to the rejuvenation of London's river economy, both recreationally and commercially, supporting the Mayor of London's environmental and transport strategies.

### **Decent work and economic growth**

Tideway has set targets for the workforce employed on the project, including local employment, apprentices and ex-offenders. Since the start of the project, Tideway has employed 21% of the workforce from within the 14 boroughs it is working in.

### **Sustainable management**

While the main benefit of the tunnel when built is to prevent pollution and improve biodiversity in the tidal River Thames, the project is addressing several sustainability areas through construction. From a social perspective, these include bringing more women into engineering and construction, employing people living in the area where the works are being undertaken, and setting targets for employing apprentices and ex-offenders. Environmentally, there are several workstreams to improve the performance of the project, including using the river for transportation of more than 90% of construction materials and spoil thereby reducing the number of road vehicle journeys and associated CO<sub>2</sub> and air quality impacts.

These environmental and social planning requirements and legacy commitments are partially delivered through a robust environmental management system, ensuring progress against specific material issues. For example, by considering carbon reduction opportunities, such as moving the excavated material by barge, Tideway has been able to reduce its base-case carbon footprint by 19% – a total of 199,000 tonnes. Tideway has a legal commitment to use at least 85% of the excavated material beneficially. In 2020, Tideway achieved 90% beneficial reuse, with the majority of main tunnel material sent for habitat creation in East London.

In 2020, Tideway achieved a score of 74/100 for its ESG performance from S&P Global Ratings. S&P Global Ratings reviewed a variety of environmental and social factors, as well as those relating to Tideway's governance, in its evaluation.

Tideway has an award-winning approach to health and safety, including being awarded Health, Safety and Wellbeing Initiative of the Year at the British Construction Industry Awards, the Ground Engineering Awards 2018. Overall, the programme Accident Frequency Rates have remained below other large infrastructure projects working at similar phases of construction. In 2020, there were 167 volunteer mental health first aiders across the project. Tideway is one of The Times Top 50 Employers for Women, a Stonewall Diversity Champion, a signatory of the 'Ban the Box' campaign, and Disability Confident Committed Employer. In 2020, Tideway recorded 2,514 sustained full-time employed ('FTE') jobs, with 55% of the workforce being female.

## 2020 Impact



**>37 million**

Cubic metres waste treated when operational



**3 acres**

New public space created in London



**25 km**

Tunnel length



**>2,470**

Full-time equivalent employees

## Sustainable management

## Environment

**100%**

Monitor energy, water and waste

**53 tco<sub>2</sub>e**

Scope 2 GHG emissions

**101,810 tco<sub>2</sub>e**

Scope 3 GHG emissions

**90%**

Beneficial reuse of excavated material



## Social

**100%**

Health and Safety Policy

**0.35**

Accident Frequency Rate

**100%**

Diversity and Inclusion Policy

**55%**

Female employees



## CASE STUDY

**Project – Tideway**

**Trend alignment – Clean energy transition**

Based on the original carbon footprint for both the construction and operation phase for 120 years, Tideway calculated that the operational carbon is less than 3% of the total, whereas the carbon from the construction is 97% due to the high embodied carbon of the materials. Through their innovation programme Tideway continues to explore options for developing new processes or products, or increasing the efficiency of existing ones. Tideway continues to share innovations and best practice with the broader industry through the Infrastructure Industry Innovation Partnership 'i3P' Portal.

Concrete mixes for the tunnel segments contained between 27–40% cement replacement compared to the predicted average of 25% in the Environmental Statement. This is a good improvement, due to the high GHGs associated with cement production. During the period of this report, the designers have been working to maximise the volume of cement replacement, either Pulverised Fuel Ash ('PFA') or Ground-Granulated Blast furnace Slag ('GGBS'), in the remaining construction materials. For example, increased cement replacement 'PFA' of 75% has been achieved in the baseplug pour at Chambers Wharf.



Photo Credit: Tideway



# CONVENTIONAL ENERGY



Cadent, UK  
Photo Credit: Cadent

***Natural gas is one of the mainstays of global energy. Where it replaces more polluting fuels, it has improved air quality and reduced emissions of carbon dioxide. Since 2010, coal-to-gas switching has saved around 500 million tonnes of CO<sub>2</sub> - an effect equivalent to putting an extra 200 million EVs running on Net Zero electricity on the road over the same period.***

## Amber's role

Amber invested in Cadent on behalf of INPP through the Quadgas consortium in 2017. Cadent is a Gas Distribution Network that provides gas to 50% of the UK.

## UN SDG impact

Investment in Cadent directly supports UN SDGs 9 and 11, with the following key benefits:

### Supporting the clean energy transition

We appreciate that switching between unabated use of fossil fuels will not provide a long-term answer to climate change on its own. Cadent is providing leadership to the provision of networks ready to transport low carbon fuels such as biomethane and green hydrogen.

### Affordable energy

Today, natural gas presents an affordable energy option to help keep homes warm in winter and businesses operating.

### Safe and reliable network

Delivering a reliable and resilient network to keep the energy flowing safely and reliably to customers.

### Drive employment

Cadent provides sustainable employment opportunities to over 4,900 staff nationwide.

### Sustainable management

We believe that gas distribution networks will have an important role to play in transitioning the UK to a Net Zero carbon economy of low carbon fuels including biomethane and clean hydrogen, in line with the Committee on Climate Change recommendations. It is important to us that any investments we make into gas distribution – or any other conventional energy investment – are making strides to reduce carbon and support the transition to a low carbon economy.

As a business, the most significant impacts Cadent has on the environment are leakage from the networks they operate, excavation waste, vehicle emissions and waste from direct activities. Cadent has made progress against each of these, with 95% waste diverted from landfill in 2019/20 (86% in 2018/19). In 2019/2020, Cadent achieved a 68% reduction in operational GHG emissions, meaning it is ahead of schedule to achieve its longer-term target to reduce GHG emissions by 80% (from 1990 levels) by 2050.

Cadent has a robust approach to health and safety and is committed to driving improvements. Over the last decade, Cadent has improved its employee Accident Frequency Rate, achieving 0.06 in 2020. Cadent has a workforce of over 4,900 employed in sustained roles. Recruitment is supported by a robust Diversity and Inclusion Policy. Female representation at Board and senior leadership levels are 18% and 15% respectively. This imbalance is partially symptomatic of the industry, where 83% of the energy and utility sector's workforce are male.

Cadent is taking steps, beyond business as usual, to help keep the public safe and supporting the NHS during Covid-19. Key measures include:

- Several Cadent staff volunteered to use their pipe-laying skills to install oxygen pipes at the Nightingale hospital in Birmingham
- Cadent encouraged its staff to help in any way they can such as delivering groceries or supporting food banks.

Cadent has continued to deliver the emergency response service for suspected gas leaks as well as its programme of essential maintenance in order to keep the public safe, warm and able to cook with gas.

## 2020 Impact



**5.7 million GJ/day**  
Maximum energy throughput



**131,000 km**  
Length of pipeline



**>11 million**  
Homes and businesses connected to assets



**>4,900**  
Full-time equivalent employees

## Sustainable management

## Environment

**100%**

Monitor energy, water and waste

**20,044 tCO<sub>2</sub>e**

Scope 1 GHG emissions

**6,103 tCO<sub>2</sub>e**

Scope 2 GHG emissions

**95%**

Waste diverted from landfill

**35**

Biomethane connections



## Social

**100%**

Health and Safety Policy

**0.06**

Accident Frequency Rate

**100%**

Diversity and Inclusion Policy

**21%**

Female employees



## CASE STUDY

**Project** – Cadent HyNet

**Trend alignment** – Clean energy transition

HyNet North West is a significant clean growth opportunity for the UK. It is a low cost, deliverable project which meets the major challenges of reducing carbon emissions from industry, domestic heat and transport.

HyNet North West is based on the production of hydrogen from natural gas. It includes the development of a new hydrogen pipeline; and the creation of the UK's first carbon capture, and storage ('CCS') infrastructure. CCS is a vital technology to achieve the widespread emissions savings needed to meet the 2050 carbon reduction targets, as outlined in the UK Government's ten-point plan. The new infrastructure built by HyNet is readily extendable beyond the initial project, and provides a replicable model for similar programmes across the UK.

Accelerating the development and deployment of hydrogen technologies and CCS through HyNet North West positions the UK strongly for skills export in a global low carbon economy.



Photo Credit: Cadent



# SOCIAL INFRASTRUCTURE



**Sedgefield Community College**  
BSF Durham Schools,  
United Kingdom

***Social infrastructure is pivotal to the development of sustainable communities. While the provision of housing, clean water and electricity is vital for meeting basic human needs, other services such as schools and healthcare facilities are equally important for ensuring the long-term wellbeing of people.***

## **Amber's role**

Amber invests into social infrastructure projects on behalf of INPP, with the vast majority developed through Public Private Partnerships ('PPP') with Local Authority clients or other public sector stakeholders. Amber has extensive experience in developing and maintaining PPP projects. Ensuring that the facilities are available for their intended use, that areas are safe and secure, and that the performance standards set out in the underlying agreements are achieved, are key deliverables for Amber.

## **Impact**

Investment in social infrastructure directly supports SDGs 3, 4, 9 and 16 with the following key benefits:

### **Quality learning environments**

Whilst Amber does not provide teaching services at the schools we manage, there is a positive relationship between the quality of the teaching environment and the pupils' standard of educational attainment.

### **High standards of maintenance**

Investment revenues are generally dependent on underlying physical assets remaining available for use and continuing to meet specific performance standards, resulting in high-quality assets for our public sector clients.

### **Strong partnerships**

Our social infrastructure project companies work closely with public sector clients to deliver critical services and facilities to the communities they serve.

### **Placemaking**

Many of the social infrastructure investments that Amber makes form key social hubs for local communities, providing critical services for the whole community.

### **Sustainable management**

During 2020, 92% of social infrastructure investments were managed by facilities management companies with an environmental management system, with no reportable environmental incidents. We identified that 94% of social infrastructure investments monitored their energy usage, with 66% having energy saving targets and 33% of schools generating electricity onsite using renewable sources. In addition, 83% of assets in the portfolio built in accordance scored 'very good' or higher against internationally recognised sustainability certification, BREEAM. 31% of social infrastructure investments monitored waste at the site level.

With the onset of Covid-19 across all our regions the focus on all investments ensuring that workers avoid or limit the spread of the disease as far as possible whilst keeping the essential infrastructure available for use drove Amber's approach to delivering on its health and safety responsibilities. We have implemented and/or supported measures to facilitate this, including rotating shifts, remote work, enhanced protections, training or cleaning, adopting the occupational safety and health guidance, and closing locations, where necessary. The AFR for social infrastructure investments is 0.61.

Throughout 2020, Amber proactively engaged with our public sector clients and supply chain to provide support, where possible. This included ensuring that investments remained open where necessary, and in some cases are repurposed. Across the portfolio, many social infrastructure investments have large spaces, such as sports halls, that have been made available for broader use while the asset itself has either been closed or not fully occupied.

Amber undertakes a proactive approach to ensure that all parties are aware of their health and safety obligations, which is monitored through quarterly reporting. In 2020, 100% of our social infrastructure portfolio was managed by facilities management companies with a health and safety policy and management system. Over 3,800 sustained full-time equivalent jobs have been created. In addition, 96% of social infrastructure investments were managed by facilities management companies with an Equality, Diversity and Inclusion Policy. In 2020, additional community use hours totalled 21,800.

## 2020 Impact



**267**  
Schools



**>195,000**  
Pupils



**5**  
Police stations



**8**  
Judicial buildings



**3**  
Hospitals



**37**  
Healthcare facilities



**>540,000**  
Patients



**>3,800**  
Full-time equivalent employees



## Sustainable management

## Environment

**94%**

Social infrastructure investments monitor energy

**31%**

Social infrastructure investments monitor waste

**88%**

Social infrastructure investments monitor water usage

**83%**

Social infrastructure investments BREEAM Very Good or higher

**41**

Biodiversity enhancement initiatives



## Social

**100%**

Social infrastructure investments operate under a health and safety policy and management system

**0.61**

Accident Frequency Rate

**96%**

Social infrastructure investments operate under a Diversity and Inclusion Policy

**>21,800**

Additional community hours provided by social infrastructure investments



## CASE STUDY

**Project** – Various

**Trend alignment** – Covid-19

Whilst the education investments Amber manage have been impacted by Covid-19 restrictions put in place during lockdowns, we have worked hard to ensure that these education investments continue to play an essential role in supporting their communities through the pandemic. Where education investments have large spaces that can safely be made available for use whilst the asset itself is either closed or not fully occupied, we have sought to work with our public sector partners to repurpose them.

For example, the Company's education investments in Blackburn, UK, have been used as hubs for primary children; Elgin Academy has been used as a clinic for newborn babies; Kent, St Aloysius and Somerset investments have been used for the preparation of food hampers. To date, over 240,000 free school meals have been provided to pupils and over 4,000 hampers have been delivered to pupils who receive free school meals at the schools Amber manages.



# DEMOGRAPHIC INFRASTRUCTURE AND URBAN DEVELOPMENT

Biddeford Car Park and  
Riverwalk Design, USA

***Shifting demographics are leading to new infrastructure requirements. This includes the creation of new infrastructure models to address changes like ageing populations. But it also means strategic investment in infrastructure to halt damaging demographic changes, such as those in post-industrial towns and cities.***

## **Amber's role**

Amber predominantly invests into Urban Development through the SPRUCE fund and its own balance sheet. SPRUCE invests in regeneration and low carbon projects in Scotland with funding provided by the Scottish Government, the European Investment Bank ('EIB') and European Regional Development Fund ('ERDF'). The SPRUCE fund supports projects which meet the core objectives of the Urban Development Fund group. This includes creation or refurbishment of business space to BREEAM Excellent or Very Good standards, projects which deliver specified greenhouse gas emissions savings, linking urban areas of need with areas of opportunity and improving the potential of urban areas to develop. Amber is also investing its own capital into innovative new urban development opportunities, with a particular focus on the USA.

In addition to urban development, Amber invests its own capital into demographic infrastructure to support projects that focus on providing attractive homes and community facilities to meet the requirements of those who are at later stages in their life ('later living').

## **Impact**

Investment in Urban Development and Demographic Infrastructure directly supports SDGs 8 and 15 with the following key benefits.

### **Regeneration**

Through targeted commercial investment, regeneration can lead to renewed economic success by attracting new industries and employers to vibrant and attractive locations.

### **Job creation**

Urban Development investments focus on the conversion and adaptation of industrial sites and business centres/facilities that offer employment and training.

### **Rehabilitation**

Our Urban Development investments focus on the rehabilitation of the environment, specifically work around the decontamination and servicing of brownfield land.

### **Social**

Through investment into accommodation that supports those at a later stage of life Amber is developing a model that has multiple social benefits to society, by supporting happier, healthier more connected communities.

## **Active management**

SPRUCE has a defined Investment Policy which sets the parameters for the sectors and projects that can be supported through the deployment of the fund's capital. SPRUCE seeks to support projects which that will address market failure, demonstrate a strong regeneration or low carbon rationale, and generate direct employment benefits to local communities across Scotland. Investment decisions are based on an array of due diligence information such as transaction details, financial analysis, market commentary, technical due diligence, compliance with SPRUCE Investment Policy and compliance with fund sponsor ERDF Eligibility Rules. All projects must also include an integrated plan for sustainable urban development, which should be able to demonstrate a clear fit with public policy and take factors such as environmental issues, social factors, economic issues and transport into account.

Post investment, SPRUCE monitors project delivery during the construction phase against the criteria set out in the project plan, and technical due diligence is continued through the appointment of an independent Monitoring Surveyor to provide technical assurance throughout the construction period. Borrowers are also requested to report on information such as work placements and apprenticeships. Once practical completion has been achieved, SPRUCE quantify the non-financial outputs achieved such as total space created or modified, space created or modified to a BREEAM standard and brownfield land remediated. SPRUCE continues to monitor the outputs of the projects throughout the operational period. KPIs monitored include enterprises supported, enterprises operating in key sectors, start-ups supported, business space occupied, long-term occupancy and gross jobs created.

## CASE STUDY

**Project** – Maine Cold Storage, USA

**Trend alignment** – Clean energy transition

The Maine International Cold Storage Facility is being developed by Amber in conjunction with the Maine Department of Transportation, Maine Port Authority, international shipping company Eimskip and Amber's Maine-based partner, Treadwell Franklin. The project involves the design, construction, finance and 50-year ownership of a cold storage facility in Portland, Maine. As part of the design, Amber has been actively integrating sustainability as part of the design.

As a refrigerated warehouse, electricity is one of the Project's most significant operating expenses. The Project's rooftop will be over 100,000 square feet and have a gradual slope which makes it well suited for behind-the-meter solar energy generation.

Preliminary design work for a rooftop solar array includes 1,600 modules equating to an output of 660 kWdc solar array offsetting around 20% of the total annual energy consumption of the building. The solar array is expected to produce approximately 828,000 kWh annually which is equivalent to the annual energy consumption for over 67 average homes in the USA.



### 2020 Impact



**85,211 m<sup>2</sup>**  
Business space created or modified



**6,353**  
Number of gross jobs created



**7.54 Ha**  
Brownfield Land treated (Ha)

### Sustainable management

#### Environment

**49,296 m<sup>2</sup>**

Business Space BREEAM Excellent (new build) and Very Good (refurbishment)



#### Social

**96**

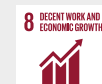
No of enterprises supported by Urban Development Investments

**28**

No of enterprises operating in key sectors

**3**

No of start-ups supported by Urban Development Investments





# DIGITAL INFRASTRUCTURE



Greenergy Data Centre, Estonia  
Photo Credit: Greenergy

***Digital infrastructure underpins the potential of the internet. Over the next few decades, digital networks will be the enabling infrastructure that helps drive economic growth and productivity. The current Covid-19 crisis underlines this, where remote working has been a financial and social lifeline to millions of businesses and families.***

## **Amber's role**

Amber invests into digital infrastructure investments through INPP, 3SIIF and NDIF. NDIF was established in 2017 to invest in the next generation of essential digital infrastructure in the UK. The Fund is backed with a cornerstone commitment from HM Treasury's landmark Digital Infrastructure Investment Fund ('DIIF') initiative. NDIF has four investments in toob, Airband, Community Fibre and Next Generation Access.

Digital also forms a core investment pillar for the 3SIIF Fund, which made its first investment in 2020. Amber has brought its extensive experience of both construction and the digital sector to bear at Greenergy Data Centers, 3SIIF's first investment in the digital sector. At acquisition in December 2020, Amber deployed a team of specialists in construction and digital infrastructure to work with the management team to ensure that the approach to construction was fully optimised and to build a commercialisation strategy.

Amber has recently acquired a majority stake in leading Australian data centre platform, iseek Pty Ltd ('iseek'). The acquisition is Amber's first Australian digital infrastructure investment, demonstrating its capability in critical digital infrastructure investment globally. iseek is a leading Australian digital infrastructure operator with five purpose-built data centres across Brisbane, Northern Queensland and Sydney. Established in 2000, iseek also provides cloud and connectivity services to a diverse range of enterprise and government customers.

## **Impact**

Investment in digital infrastructure directly supports SDGs 3, 4, 9 and 16 with the following key benefits:

### **More productive**

The internet offers unprecedented opportunities for economic growth. By providing access to information, connecting people to businesses everywhere, and opening up new markets, the internet can support economic development.

### **Driving indirect improvements, such as health and environment**

Access to the internet can improve health conditions by reducing the incidence of diseases through better information for both patients and health practitioners. Equally, the ability of digital infrastructure to support remote working and smart logistics will result in emission reductions.

### **Unlock universal education**

The internet plays a pivotal role in extending access to educational resources and in accelerating knowledge sharing.

## **Inclusion**

Through reducing the digital divide between rural and urban areas, improved connectivity can create more equal opportunities for individuals to succeed, regardless of location.

## **Active management**

Environmental risks associated with NDIF digital investments are limited as most operational processes are undertaken from an office-based or home-based environment. Any external fibre construction works undertaken are mainly done so through Physical Infrastructure Access, which allows certified organisations to share Openreach's existing duct and pole infrastructure and therefore rarely require any work that could lead to a significant environmental impact. Most external work is undertaken by third-party operators, and our investee companies ensure that all third-party contractors have the relevant and necessary accreditations. We recognise the opportunities that could be presented through a move towards more circular business models, and we will be exploring this with our investee companies.

Amber ensures that all investments are aware of their health and safety obligations, and 100% of investments have robust health and safety policies and management systems in place. NDIF's digital portfolio companies support over 375 sustained full-time jobs, with recruitment supported by a robust Diversity and Inclusion Policy in 75% of investments. Across all investee companies, 55% of the workforce are female.

## 2020 Impact



**2,886 km**  
Fibre deployed



**344,000**  
Premises passed



**40,400**  
Premises connected

## Sustainable management

## Environment

**50%**

Digital investments with a Sustainability/ESG Policy

**25%**

Digital investments operating under an environmental management system

**25%**

Digital investments monitoring energy



## Social

**100%**

Digital investments operating under a health and safety policy and management system

**75%**

Digital investments operating under a Diversity and Inclusion Policy

**>375**

Sustained full-time employees

**55%**

Female employees



## CASE STUDY

**Project** – Greenergy, Tallinn, Estonia

**Trend alignment** – Digitisation

Data centres will play a more important role in the future data economy. As the world moves increasingly to the web, users and businesses demand quick information. Whilst they are essential in supporting increased digital reach, we recognise that there are adverse impacts that need to be managed. In terms of the environmental impact of data centres, they account for 1% of the world's electricity consumption and 0.5% of CO<sub>2</sub> emissions.

Making data centres as efficient and green as possible is a priority for our approach to asset management. We are working with Greenergy to ensure the most advanced technological solutions are used to achieve power usage effectiveness 'PUE' of < 1.2 (EU average is 1.8). The facilities will also be powered by sustainable electricity from renewable energy sources (100% green) and waste heat will be captured and reused.



Photo Credit: Greenergy



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# 03

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## LOOKING AHEAD

Enery, Slovakia  
Photo Credit: Enery



**DANIEL WATSON**  
HEAD OF ESG

The global financial crisis in 2008 was significant and had a variety of impacts across business and society. The sustainability sector was hit particularly hard, as many of its services were a 'nice to have' and considered secondary to core, near-term business priorities.

Over the past year, we have been encouraged by the continual engagement we have received from investors on sustainability issues. Despite the challenges presented by Covid-19, it is evident that sustainability issues are now seen as fundamental to the success of business. We welcome the international response that has linked the recovery from Covid-19 to broader green ambitions. In many countries, governments are now looking towards recovery as the pandemic's first wave slowly recedes, with plans for economic stimulus worth trillions of pounds.

We remain committed to practical responsible investment actions and are pleased with the progress that has been made over the past 12 months, as described on page 26. Looking ahead, we will be focused on the following activities to strengthen our sustainability and ESG practices.

#### Regulatory alignment and disclosures

We recognise that emerging regulation, such as the SFDR, will affect many of our investors and will increasingly drive the convergence of disparate voluntary standards and third-party ratings that are available on the market. We welcome this and will use these emerging regulations to help harmonise disclosures across our investments and business activities.



**MICHAEL GREGORY**  
CHIEF OPERATING OFFICER

#### Climate change

Amber has resolved to strengthen the alignment of its investment activities with the objectives of the Paris Agreement. Work is underway to enhance the level of information sought before making new investments and Amber will draw on emerging frameworks, such as the EU Taxonomy for Sustainable Activities, to guide investment decision making.

Amber has also resolved to align with the recommendations of the Task Force on Climate-related Financial Disclosures. We will increasingly draw on the pillars of the TCFD to inform our approach and align disclosure of funds where it is useful for our investors.

#### Asset management

We are working through a suite of initiatives to enhance the sustainability performance of our social infrastructure investments. Over the course of 2021 and 2022, there will continue to be a focus on delivering initiatives to improve the energy and natural resources performance of the portfolio with a focus on sharing good practice across Amber-managed investments.

#### Diversity and inclusion

Diversity and inclusion is an important topic for Amber, and following the formation of a D&I Sub-Committee, we will increase our focus on it moving forward. This includes enhancing requirements for disclosure on D&I metrics and taking action across our investments where we can leverage our influence.

#### Review policies, KPIs and targets

We are committed to evolving our disclosures and will continue to review appropriate portfolio-level and investment-level KPIs and targets to support our Sustainability Policy objectives and align with emerging regulatory frameworks. This is particularly relevant for continuing to align our activities with the objectives of the Paris Agreement. Over the course of 2021 and 2022, we will be identifying pathways to reduce emissions for portfolio investments in line with a Net Zero economy. Where we have sufficient control, we will be exploring how we can set meaningful science-based targets that align with Net Zero pathways. Where we do not, we will provide our support and expertise to guide investments to do the same.

#### Biodiversity

Infrastructure is the baseline to realise the UN Sustainable Development Goals and is recognised as such in 'Goal 9, Industry, Innovation & Infrastructure, build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation'. Equally, the conservation of biodiversity underpins many of the Sustainable Development Goals, and no long-term development can be envisaged unless the diversity of natural habitats and ecosystems is systematically included in the development, industrial and innovation policies. Over the coming year, we will consider how we can enhance our consideration of biodiversity through our investment and asset management activities, and support the development of the Task Force on Nature-related Financial Disclosures.

#### Investor solutions

We will continue to use environmental and social drivers as key considerations as part of any new products we consider throughout the year, notably how we can support the transition to Net Zero.

Finally, we would like to extend our thanks to you, our valued stakeholders, for your ongoing support. As ever, we welcome your views to support our approach to responsible investment disclosures. Please do not hesitate to contact us through [investorrelations@amberinfrastructure.com](mailto:investorrelations@amberinfrastructure.com).



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Published in the United Kingdom: July 2021.  
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