

# FOCUSED ON TOMORROW DELIVERING TODAY

Global Sustainability Report  
2023





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:** BMF Port Burgas, Bulgaria

**Photo credit:** BMF Port Burgas



# INTRODUCTION

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# A MESSAGE FROM THE CEO



GAVIN TAIT, CEO

The tightening of ESG disclosure regulation brings welcome additional scrutiny to what is considered sustainable and shines a light on financial product greenwashing. At Amber Infrastructure Group ('Amber'), ESG is a fundamental component of our business strategy; our goal is to tackle today's infrastructure challenges in a sustainable manner, whilst creating long-term value for our investors. ESG is not a marketing tool, but rather an essential part of our operations.

At Amber, we integrate sustainability considerations to all levels of our operations, investment decisions, approach to asset management and business plan. Our approach to tracking the sustainability performance of our investments is built upon the extensive experience we have gained in managing

impact funds that have bespoke environmental and social KPIs. Drawing from this experience, we collect ESG data across all of the portfolios we manage and advise. For assets that serve a valuable purpose for society but might not meet recognised sustainability criteria today, we apply our active asset management approach to drive performance, work towards sustainability alignment and create value.

There are several challenges impacting financial markets at a global level, including widespread inflation, escalating international conflict and supply chain issues. However, many of the sectors in which we invest, including energy, digital and transport are witnessing unprecedented levels of advancement, boosted by national policy and public infrastructure budgets. This is reflected in the many positive investments we have made during the reporting period, through our balance sheet and across our mandates.

Amber has built a 13-year track record providing transparent, accurate and material ESG information to our key stakeholders. This report sets out our approach to ESG and sustainability and details the progress we have made during the year.

## ESG DATA AND DISCLOSURES

The recent developments in regulation and best practice frameworks with regards to ESG disclosures have brought about a more consistent and robust approach to monitoring and reporting impact and performance.

Amber undertook an exercise throughout 2022 and 2023 to update its ESG data collection and quantification tools, allowing us to capture high quality investment-level ESG performance information which will help to inform our strategy going forward. In addition, the portfolio-level calculations will enable us to disclose the most material information to our key stakeholders across the funds that we manage and advise.

This enhanced approach supported the FTSE-250 listed International Public Partnerships ('INPP') to disclose enhanced SFDR data in line with its Article 8 categorisation under the EU Sustainable Finance

Disclosure Regulation ('SFDR') and Taskforce on Climate-related Financial Disclosure ('TCFD') recommendations. This is proving to be particularly important for Amber's clients as they face increasingly challenging and complex ESG regulatory requirements. Amber applied its ESG data collection and reporting tools to support INPP with its first set of SFDR reports, including its pre-contractual and periodic disclosures.

## CLIMATE CHANGE

Amber has further developed its approach to climate change risk identification and assessment. During 2022, we developed a robust climate change risk assessment framework, for assessing the physical and transitional climate risks of our investments. The framework includes a bespoke, third-party risk screening tool to quantify the physical risk of climate change, through present-day and future scenarios analysis. Please refer to pages 24-25 for more detail.

Amber applied this climate risk framework to assess the risks and opportunities across INPP's investment portfolio. The results of this assessment were reported alongside the recommended TCFD disclosures in INPP's latest Sustainability Report<sup>1</sup>.

## NET ZERO

Amber is committed to supporting the transition to a net zero economy. We have continued to mobilise capital to climate solutions, through our investments during the period. Moreover, through our asset management activities, we work with our investments to identify opportunities to decarbonise. We cannot do this in isolation, and collaborating with key stakeholders is an essential element to unlocking net zero.

Amber has been supporting the UK Infrastructure and Projects Authority ('IPA') to develop a sector approach to net zero for Private Finance Initiative ('PFI') buildings. Amber is an active member of the IPA's net zero working group, which consists of: investor peers; facilities management companies; government departments; and industry experts.

The group has contributed to developing a PFI-specific net zero stewardship guidance document,

which we were pleased to see published this year. We have also begun to roll out site-level net zero feasibility studies across investments in the social sector, as a first step in developing a net zero transition plan.

Accurate accounting of greenhouse gas ('GHG') emissions is fundamental to reducing real-world emissions. Reflecting this importance, Amber is pleased to have become a member of the Partnership for Carbon Accounting Financials ('PCAF'). We look forward to collaborating with PCAF and providing our insights around carbon quantification in the sectors in which we invest.

## PEOPLE STRATEGY

At Amber, we believe in the value of a diverse workforce and the unique contributions that each colleague brings which allow us to foster a work environment that is inclusive and supportive, where everyone has equal opportunities for success and personal growth.

As part of our broader People Strategy, our Diversity & Inclusion ('D&I') Committee has conducted a data drive to gain insight into how our workforce reflects the stakeholders and communities we serve. This survey was distributed to all current employees, with an initial response rate of 81%, and will be regularly issued to both current and new employees.

Finally, we thank you for your ongoing support of Amber. As our valued stakeholders, we welcome any feedback and would be delighted to continue the discussion with you.

GAVIN TAIT  
CEO

<sup>1</sup> <https://www.internationalpublicpartnerships.com/media/2809/sustainability-report-march-2023.pdf>

# A FULLY INTEGRATED MINDSET

## 01

### AWARD-WINNING SUSTAINABILITY STRATEGY

As infrastructure investors, we need to think over the long term. Recent events demonstrate the challenges of foresight and the speed at which global events can disrupt or transform society. This means we must constantly challenge our thinking to ensure our investments not only thrive over the long term but also help create a sustainable future. This philosophy sits at the heart of our award-winning Sustainability Strategy, Amber Horizons.



Tideway, United Kingdom  
Photo credit: Tideway

## 02

### FUTURE FOCUSED INVESTOR

Our Amber Horizons research process aims to uncover insights that can lead to new investment and product opportunities. If our research identifies opportunities that we believe in but are not yet mature enough for third-party investment, Amber is willing to invest its own capital to demonstrate proof of concept, gain experience and develop expertise.



MEGAPACK  
Photo credit: Tesla

## 03

### ESG REPORTING TRACK RECORD

With a proven track record of working with governments to promote impact investing, Amber brings over 13 years of experience in achieving both financial returns and tangible impact. As pioneers in providing evidence-based non-financial returns, Amber continues to be at the forefront of the industry.



Image: BeNEX, Germany  
Photo credit: ODEG

## 04

### SUSTAINABILITY-FOCUSED APPROACH TO VALUE CREATION

The core of Amber's value-creation strategy revolves around ESG and sustainable investment, with Amber being an early adopter of ESG standards. By managing investments to be fit for the future, we aim to maximise value creation.



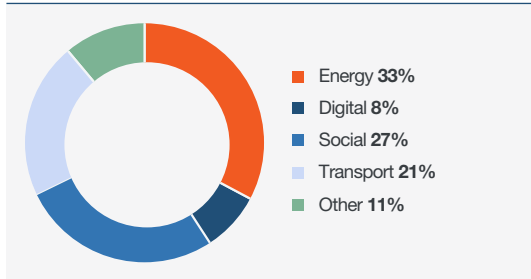
Energy, Slovakia  
Photo credit: Energy

# WE ARE RESPONSIBLE INFRASTRUCTURE INVESTORS

Amber is a specialist international infrastructure investment manager with experience and expertise spanning a broad range of infrastructure sectors and geographies.

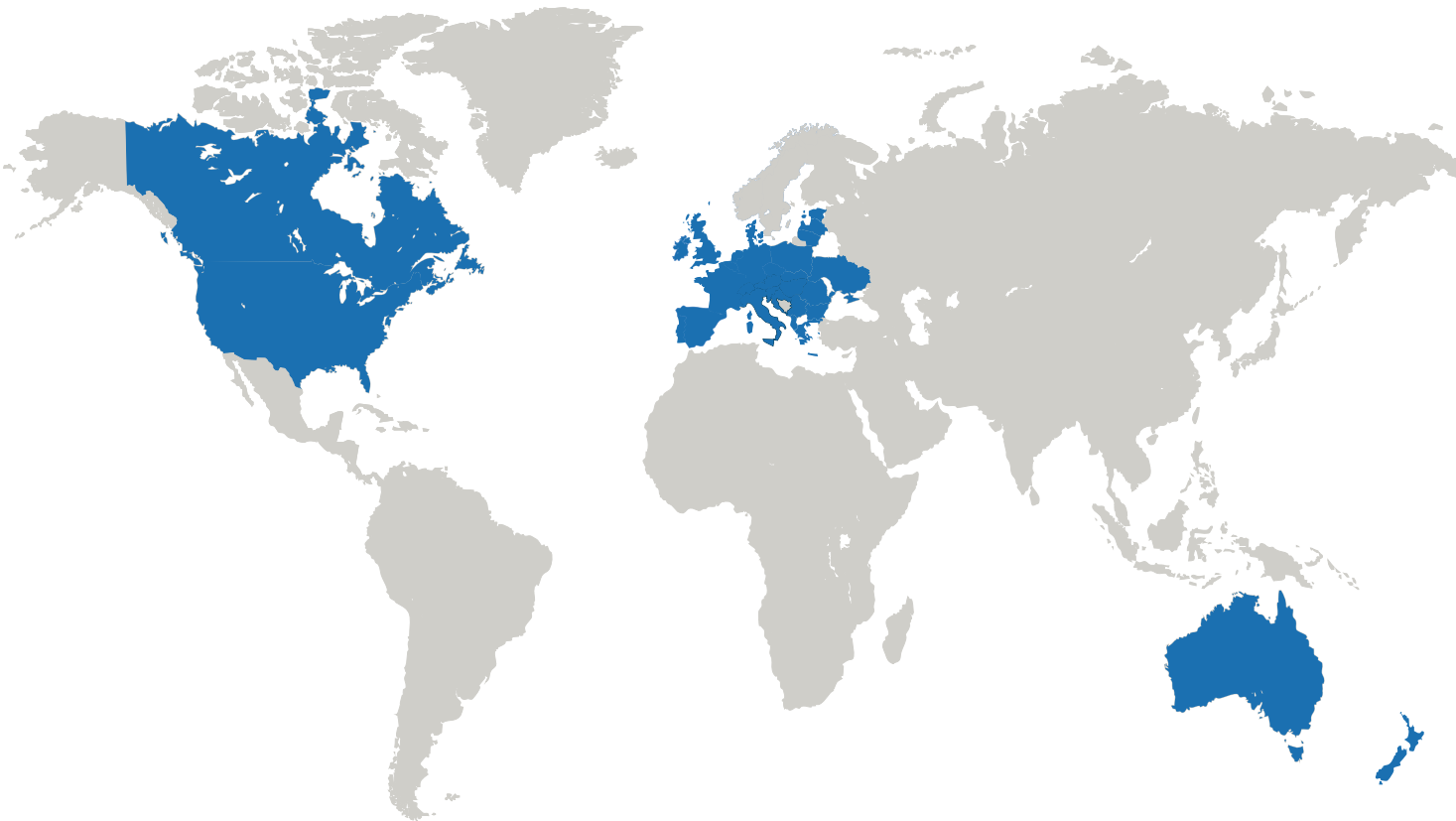
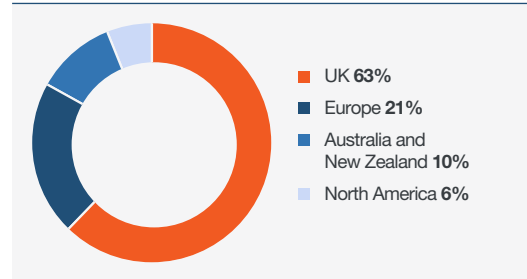
Amber's core business focuses on sourcing, developing, advising, investing in and managing infrastructure assets across the transport, energy, digital, public and demographic infrastructure sectors that support the lives of people, homes and businesses internationally.

## INVESTMENTS BY SECTOR<sup>2</sup>



<sup>2</sup> Calculated based on fair market value of investments.

## INVESTMENTS BY REGION



**c.€5bn**

Funds under management and advisement

**>175**

Investments

**c.180**

Number of Employees

**8**

Funds under management or advisement

**4**

Energy efficiency and low-carbon funds

**2009**


Founded


# CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS


Amber is supportive of the 2030 Agenda for Sustainable Development adopted by the UN Member States in 2015. Alignment with the Sustainable Development Goals ('SDGs') is an essential part of Amber's approach to ESG integration. Amber believes it contributes towards the SDGs in two specific ways:


## POSITIVE ENVIRONMENTAL AND SOCIAL CHARACTERISTICS

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


**3 GOOD HEALTH AND WELLBEING**  
 Our investments in c.40 health facilities, including the award-winning Royal Children's Hospital in Melbourne, Australia, provide access to quality essential health-care services.


**4 QUALITY EDUCATION**  
 Good infrastructure provides an environment for the provision of quality education. By investing directly in c.270 education facilities and managing them sustainably, we can provide effective learning environments for all.


**6 CLEAN WATER AND SANITATION**  
 The Tideway project, part of INPP's portfolio, is the largest infrastructure project ever undertaken by the UK privatised water industry.

**7 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.

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**  
 Investing in resilient infrastructure is at the heart of what we do. We've invested over €5 billion into quality, reliable, sustainable and resilient infrastructure.


**11 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.

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**  
 Through the provision of high-quality judicial buildings, Amber is supporting effective, accountable and transparent institutions at all levels.


**13 CLIMATE ACTION**  
 By investing in projects that support the transition to net zero, from renewable generation to decarbonising public transport, we can directly contribute to SDG 13.


## ACTIVE MANAGEMENT

Whilst Amber believes its investments have a positive impact on society, it recognises that there will inevitably be compromises that need to be made in the pursuit of sustainable development. Amber actively manages all its investments to pursue best-in-class sustainability. Alongside relevant performance standards and regulation, Amber draws on the SDGs to help guide its approach to actively managing investments. These have been used to develop our active management sustainability aims.

**3 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.


**5 GENDER EQUALITY**  
 We ask all investments to implement a strong diversity and inclusion policy. By ensuring our investments consider inclusion of all kinds, we can support SDG 5.

**6 CLEAN WATER AND SANITATION**  
 Through the responsible use and management of water resources, our investments can support the goals of SDG 6.

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

**8 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.

**10 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.

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**  
 By seeking out re-usable and recyclable equipment and incorporating circular principles into lifecycle management of assets, our investments can actively support SDG 12.

**13 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.

**15 LIFE ON LAND**  
 By actively considering and managing the impact of new and existing infrastructure on biodiversity and ecosystems, Amber can actively support SDG 15.

**9 INDUSTRY, INNOVATION & INFRASTRUCTURE**  
 By upgrading and retrofitting infrastructure to make them sustainable, with greater adoption of clean and environmentally sound technologies, Amber can actively support SDG 9.

## OUR SDG PROGRESS



### >650,000

Annual number of patients treated in healthcare facilities developed and maintained by Amber.



### >182,000

Annual number of students attending schools developed and maintained by Amber.



### 37,000,000 m<sup>3</sup>

The three components of the London Tideway Improvements will work conjunctively to reduce discharges in a typical year by about 37 million cubic metres.



### >395 GWh

Annual renewable electricity generated through our investments.



### >73 GWh

Total energy saved through Amber-managed energy efficiency funds.



### 2,700,000

Estimated equivalent number of homes powered by renewable energy transmitted through offshore transmission investments ('OFTO') each year.



### >12,500

Jobs supported across all Amber-managed investments.



### >1,000,000

Premises passed by our fibre and superfast broadband network investments.



### >154,000,000

Annual passenger journeys through public transport investments.



### >230,000 tco<sub>2</sub>e

Estimated annual greenhouse gas emissions avoided from Amber-managed low carbon funds and renewable generation investments.

←  
R.Power, Poland  
Photo credit: R.Power



# FUNDS

Amber manages or advises eight co-mingled funds and managed accounts.

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:



## INTERNATIONAL PUBLIC PARTNERSHIPS ('INPP')

INPP, a London Stock Exchange listed investment company, was launched in 2006, focusing on Organisation for Economic Co-operation and Development ('OECD') countries. INPP has 143 investments in infrastructure projects and businesses. The portfolio consists of energy and transmission, transport, education, health, justice and digital infrastructure projects and businesses, in the UK, Europe, Australia, New Zealand and North America.



## THE THREE SEAS INITIATIVE INVESTMENT FUND ('3SIIF')

3SIIF invests in energy, transport and digital infrastructure investments in Central and Eastern Europe ('CEE'), where demand for long-term commercial investment into national infrastructure is among the highest in the EU. 3SIIF was cornerstoned by government-backed financial institutions from the region and has made five investments to date.



## NATIONAL DIGITAL INFRASTRUCTURE FUND ('NDIF')

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



## THE LONDON ENERGY EFFICIENCY FUND ('LEEF')

A specialist fund (one of the first of its kind in energy efficiency), launched in 2011, established in partnership with 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)<sup>3</sup>.

## SAIF5

SAIF5 targets public and social infrastructure investments in OECD countries. It was cornerstoned by a consortium of Korean investors. It looks to invest principally in core infrastructure. SAIF5 has invested in three projects.



## THE MAYOR OF LONDON'S ENERGY EFFICIENCY FUND ('MEEF')

Amber was appointed as the fund manager to the Mayor of London's Energy Efficiency Fund in 2018 by the Greater London Authority ('GLA') with funds from the European Regional Development Fund. 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 18 projects to date.



## THE 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 European Regional Development Fund. Established in 2011, SPRUCE is predominantly a debt fund and has agreed facilities with 18 projects to date.



## THE GREEN NEW DEAL FUND ('GNDF')

The Amber-managed GNDF is an investment fund established by the North of Tyne Combined Authority to provide finance to SMEs and the public sector to reduce carbon emissions, create green jobs and develop skills in the region. The GNDF can invest through either loans, equity, grant or a combination thereof.

## AMBER BALANCE SHEET

As well as managing and advising 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 nascent technologies and sectors. Amber has the in-house capabilities to identify, structure, perform due diligence, manage and deliver often-complex infrastructure projects.

<sup>3</sup> As at the date of this presentation, the fund is in orderly wind-up as the fund life terminated on 31 March 2023.

# SUSTAINABILITY HERITAGE AND PROGRESS

Since inception, sustainability has been at the heart of all that we do. As the world of sustainability and ESG integration has evolved, we have strived to stay at the forefront of this emerging discipline.

This includes seeking to be leaders in reporting, asset management and disclosure and drawing on broad environmental, social and technology trends to create value. This is reflected in our history, with the first of our four dedicated impact funds established in 2011.

## 2009

Amber established

**AMBER**  
INFRASTRUCTURE GROUP

## 2011

Appointed manager of government-backed London Energy Efficiency ('LEEF') and Scottish Regeneration ('SPRUCE') Funds

Amber establishes Transmission Capital Partners and had to date been successful on ten UK OFTO tenders



## 2013

Amber becomes Planet Mark certified



## 2016

Sustainable Development Award, 2016 Scottish Green Energy Awards, Guardbridge Energy Centre



## 2018

Launch of GLA-backed fund, MEEF, following the success of LEEF

Amber appoints dedicated Head of ESG



## 2020

Amber launches Amber Horizons and inaugural Sustainability Report



## 2022

5\* UN PRI 2021 assessment score for both the Investment and Stewardship Policy and the infrastructure modules

## 2010

New Build Project of the Year – Criminal Courts of Justice, Dublin, CIBSE Sustainable Awards 2010

## 2012

Amber completes first non-financial report for LEEF and SPRUCE

## 2014

Amber provides funding solution for the UK's largest rooftop solar development, at the time of construction

## 2017

Appointed UK Treasury to manage one of Europe's first dedicated digital infrastructure funds



## 2019

Amber becomes signatory of PRI, achieving A+

Signatory of:



## 2021

Launch of North of Tyne Green New Deal Fund

Amber Horizons wins Best Corporate Sustainability Strategy



# APPROACH

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Shirley Boys' and Avonside Girls' Schools, New Zealand

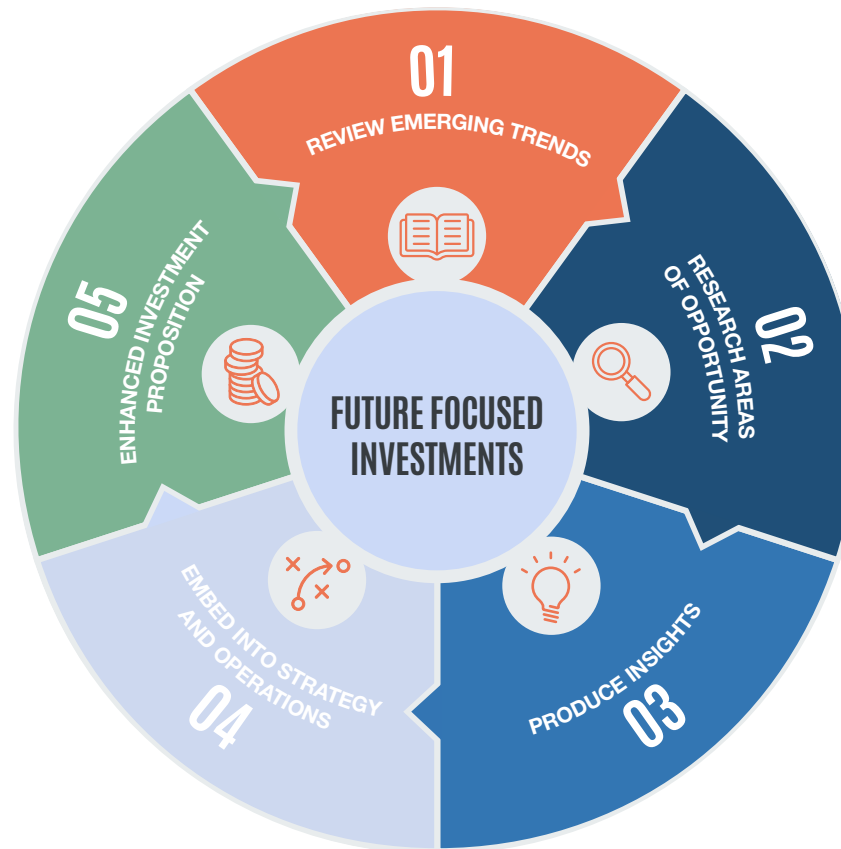


# AMBER HORIZONS

As infrastructure investors, we need to think over the long term. Recent events demonstrate the challenges of foresight and the speed at which global events can disrupt or transform society. This means we must constantly challenge our thinking to ensure our investments not only thrive over the long term but also help create a sustainable future.

Amber Horizons is our award-winning<sup>4</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, investment approach, and corporate culture.

<sup>4</sup> <https://www.esginvesting.co.uk/awards/shortlistedfinalists/>



# AMBER HORIZONS CONTINUED

Through the Amber Horizons research process, we seek to gain insights that create opportunities for new investments and products.

At Amber, we monitor drivers of change such as environmental, social, and technological factors to anticipate potential opportunities or risks.

By conducting thorough research, we uncover valuable insights that can lead to new investment and product opportunities. If we discover opportunities that we believe in but may not yet be ready for third-party investment, we're willing to invest our own capital to demonstrate proof of concept and develop our experience and expertise.

## DRIVERS OF CHANGE

### ENVIRONMENT

Shifts in environmental circumstances brought about by changing attitudes or naturally occurring events.



Climate change



Resource scarcity



Biodiversity

### SOCIAL

Shifts in social circumstances brought about by changing attitudes, human-led events or responses.



Ageing populations



Conflict



Protectionism

### TECHNOLOGY

New technologies or software which have the potential to disrupt the existing infrastructure landscape or create new investment sectors.



A.I.



Electric vehicles



Renewable energy

## RESPONSES

Drivers of change are leading society to develop solutions. These solutions present both risks and opportunities.



Legislation and regulation



Funding



Taxation



Consumer preference



Movement and migrations



Political preference



Technology innovation



Financial innovation



Business models

## INTEGRATION

### GOVERNANCE AND BUSINESS STRATEGY

Current and emerging ESG trends are built into business strategy, 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.

# CASE STUDY: GREENGAS

## DRIVERS



Climate change



Energy Security



Resource efficiency



Renewable energy

## THE CHALLENGE

The US has set ambitious climate targets to reduce national GHG emissions by 50-52% by 2030 (compared to 2005 levels) and reach net zero by 2050. To reach these targets, all sectors within the economy will need to achieve significant carbon reductions, including transport and agriculture. Federal and state policy will play an important role in incentivising decarbonisation and catalysing the shift to a net zero economy.

Policies have been put in place to increase the production of renewable transport fuels and reduce the consumption of conventional fossil fuels, including:

- The Energy Policy Act of 2005, which established the federal renewable fuel standard ('RFS') and supports the creation of Renewable Identification Numbers ('RINs').
- The California Low Carbon Renewable Fuel Standard ('LCFS'), which provides state-level incentives.

## AMBER SOLUTION

The macro drivers highlighted have led to policy decisions in the US which have translated into opportunities for investment in renewable fuels for transport, including Renewable Natural Gas ('RNG'). To capitalise on this opportunity, Amber has formed a strategic partnership with Green Impact Partners Inc. ('GIP') and certain affiliates a specialist low Carbon RNG and clean bio-energy developer based in Calgary, Canada.

Through this partnership, Amber has invested in a dairy waste-to-RNG facility in Colorado, acquiring a 50% interest in the GreenGas Colorado ('GGC') project developed and constructed by GIP. GGC is nearing commencement of commercial operations. The project consists of two large scale dairy manure-to-RNG facilities located in Weld County, Colorado, with an expected combined annual production of over 360,000 million British Thermal Units ('MMBtu').

The anaerobic digestion of dairy waste produces RNG which, when combusted, emits CO<sub>2</sub> into the atmosphere. However, if left untreated, dairy waste releases methane into the atmosphere, which has a global warming potential 25 times greater than CO<sub>2</sub>. This means that for every tonne of methane released, it has the equivalent impact on the environment as releasing 25 tonnes of CO<sub>2</sub>. The use of RNG as a transport fuel, therefore, creates a GHG emissions reduction cycle and the GGC project will avoid an estimated >68,000 tCO<sub>2</sub>e/annum. The renewable transport fuels will also displace the need for an equivalent volume of conventional fossil fuels consumption.

The RNG produced by GGC is earmarked for use in transport and is injected directly into a natural gas pipeline. The low carbon intensity of the fuel allows the project to benefit from LCFS and RIN credits. This process also generates additional income to the dairy farmers through the sale of the feedstock to GGC.

# >360,000 MMBtu

Expected annual RNG production

# >68,000 tCO<sub>2</sub>e

Estimated annual emissions will be avoided

# >16,000 cars

GHG savings equivalent to cars removed from the road

## PRIMARY SDGs SUPPORTED



GreenGas Colorado, US  
Photo credit: Green Impact Partners Inc.

# GOVERNANCE

## Amber is committed to responsible growth to benefit our clients, society and stakeholders.

Our approach to sustainability is future focused, we aim to capture opportunities and mitigate risks arising from urbanisation, globalisation, environmental awareness, demographic shifts, technology and climate change. The research conducted through Amber Horizons directly influences Amber's Governance and Business Strategy.

### SUSTAINABILITY AND ESG GOVERNANCE

Amber's Executive Committee<sup>5</sup> 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, CSR Sub-Committee and D&I Sub-Committee.

The ESG Steering Committee's primary role is to integrate and strengthen Amber's ESG considerations within investment management and investment 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 the United Nations backed Principles for Responsible Investment ('PRI') and any other benchmarks to which Amber has membership/affiliation.

Amber's internal ESG team is led by a dedicated Head of ESG who joined Amber in December 2018. The ESG team actively works with Amber's investment management, investment asset management, business operations, capital solutions and investor relations teams to embed ESG into all that we do.

### ESG POLICY

Amber's global ESG Policy<sup>6</sup> defines our objectives and approach to embedding ESG in our services, our advice to clients, our operations, and 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.

### APPROACH TO MATERIALITY

Amber's investments span multiple sectors, regions and asset types, which leads to a diverse range of ESG risks and opportunities. Combined with the continuously expanding list of regulatory and voluntary ESG reporting frameworks, this means that it is essential for us to identify the most material ESG topics for our investments. In doing so, we can focus our ESG strategy and prioritise the data we collect to provide our stakeholders with the most valuable information.

The Principal Adverse Impacts set out in SFDR, as well as the criteria in the EU Taxonomy regulation's six environmental objectives, underpin our approach to assessing the ESG materiality of our investments. In addition to these requirements, Amber draws from its Amber Horizons programme as well as third-party tools, including the Sustainability Accounting Standards Board ('SASB') Materiality Finder, to identify the most material ESG topics to include in our reporting on a sector-by-sector basis.

Amber also assesses materiality throughout the investment process. For example, at the transaction screening stage, Amber's investment origination teams may use the GRESB Infrastructure materiality tool to support the identification of material aspects which are then focal points for the ESG due diligence process.

### 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

<sup>5</sup> <https://www.amberinfrastructure.com/about-us/our-people/>

<sup>6</sup> [https://www.amberinfrastructure.com/media/2231/esg-policy\\_final.pdf](https://www.amberinfrastructure.com/media/2231/esg-policy_final.pdf)

# INVESTMENT INTEGRATION

Our approach to sustainability and ESG integration helps us identify, assess, manage, monitor and disclose material ESG risks and opportunities across the investment lifecycle.

Our company engages in various activities to ensure we not only invest responsibly, but we consider how emerging trends can create value over the long term. These activities include transaction screening, due diligence, execution, active management, reporting, and optimisation. We have an in-house team of ESG specialists who support investments, acquisitions, product development, asset management, and reporting. Our team has a comprehensive framework for addressing ESG issues that we apply consistently across our portfolio. This framework is tailored to fit our business structure, operations, investments, and stakeholders, and is fully integrated into our investment process.

## 01 RESEARCH

Using our Amber Horizons insights, our specialist investment teams undertake targeted research that examines the potential for new investment and fund opportunities. The future-focused insights that Amber Horizons provides complements 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 pioneers 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 invest its own capital in demonstrating proof of concept in projects we believe in.

## 02 SCREENING

All investments are initially screened for ESG 'red flags' and categorised based on potential risks and adverse impacts. Screening also includes consideration of EU Taxonomy eligibility, SFDR categorisation requirements and positive contribution towards the SDGs.

## 07 EXIT

ESG considerations are considered through the entire lifecycle, to the eventual exit from the investment. Amber aims to enhance value by ensuring investments are on a sustainable pathway, in line with recognised performance standards and our own business case assumptions.

## 03 DUE DILIGENCE

Potential investments undergo bespoke due diligence, guided by the investment's location, asset type and risk profile. Our deal teams work closely with our ESG team to develop comprehensive ESG due diligence scopes to ensure aspects such as EU Taxonomy, SFDR and TCFD requirements are considered prior to investment. Any items that require addressing post-investment are built into Environmental and Social Action Plans.

## 06 MONITORING

ESG reporting for respective funds is provided to investors within agreed formats. This includes incorporation of ESG considerations into annual reporting frameworks or specific ESG reports for funds and other mandates, where appropriate. In all reporting, we are led by our investors and their requirements. Our overall approach and performance is reported annually within this sustainability reporting format.

## 04 EXECUTION

Amber seeks to build ESG clauses into documentation with portfolio companies, including Environmental and Social Action Plans that are prepared at the due diligence stage. This includes any actions required to ensure environmental and social safeguarding, or more ambitious targets such as alignment with EU Taxonomy Technical Screening Criteria or net zero strategies.

## 05 ASSET MANAGEMENT

Investment asset management teams monitor the delivery of Environmental and Social Action plans and other agreed targets, such as alignment with EU Taxonomy Technical Screening Criteria. ESG Key Performance Indicators ('KPIs') and risks are incorporated into reporting, risk management systems and objectives.





# CORPORATE CULTURE

Our corporate culture reflects the same beliefs and principles that guide our responsible investment activities. Corporate culture plays a crucial role in strengthening our 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 GOOD CORPORATE CITIZEN

We aim to integrate sustainable and responsible business practices into our organisation. We have implemented strong policies and processes and actively promote our company's values and culture.

We have aligned our Corporate Social Responsibility ("CSR") initiatives with the Good Life Goals, which are individual actions that people worldwide can take to support the SDGs. The Good Life Goals raise awareness of the crucial role of personal efforts in achieving the SDGs. There are 17 Good Life Goals, each with five actions that directly relate to the SDG targets. An example selection of initiatives is provided below.

### Goodlife Goal 3: Stay Well

As a growing business with c.180 employees, it is vital to us that our employees have a sense of belonging. We strive to engage our colleagues by creating a supportive environment that inspires our people to be exceptional within their chosen role.

Fundamental to a sense of belonging, is for our employees to feel safe, well and supported and we seek to establish policies and processes to achieve this. During the reporting period, we introduced a number of new policy initiatives, including the following:

- **Menopause Policy** – We have established specific training as part of a wider approach to

cultivate a team culture of openness, where colleagues feel comfortable talking about the menopause.

- **Neonatal Leave** – We have launched new paid leave entitlement for parents of babies in neonatal care, outside of existing parental leave entitlement.
- **Carer leave policy** – We have introduced leave entitlement for employees who care for a relative or friend.

### Goodlife Goal 5: Treat everyone equally

Amber has always valued a diverse workforce and the contribution each individual colleague makes. Amber's goal is to create and maintain a diverse, supportive and inclusive work environment where everyone has an equal opportunity to succeed and reach their full potential.

Amber has a D&I Committee, comprising a representative sample of global employees, who champion and raise awareness of diversity and inclusion across the organisation. Led by this committee, Amber has undertaken a D&I data drive, to help us better understand how our workforce represents the stakeholders and communities that Amber serves. The survey was made available to all existing employees, with an initial 77% response rate and will be periodically issued across the business and to new joiners.



Our global staff includes 20 different nationalities based across 14 countries. We will continue to analyse our D&I data and establish the most helpful metrics for us to best understand and track any gaps or suggestions of unconscious bias in the business, and to ensure our D&I initiatives are as targeted and effective as they can be.

As part of our D&I strategy, during the period we enhanced our Recruitment, Induction, and Probation policy. This policy and process will ensure consistency and rigour in relation to recruitment and onboarding across our offices and teams, specifically with a focus on ensuring that the process is free from bias and inequality.

### Goodlife Goal 13: Act on Climate

Demonstrating our commitment to accurately measuring, reporting and reducing our carbon footprint, Amber received the Planet Mark Business Certification. This certification included the validation of our GHG emissions quantification methodology. For the 2022 reporting period, our GHG footprint has increased by 120 tCO<sub>2</sub>e year-on-year, which is largely due to the uplift in business travel following COVID-19 restrictions, and the growth of our business and employee numbers.

### Goodlife Goal 17: Stand up for fairness and peace

Amber was delighted to once again participate in the charity initiative ALL4Kids. As part of this initiative, Amber employees took part in the Charity Race 2023, where they could choose to compete through either cycling, running or walking, with the aim of accumulating the highest mileage possible within the allotted time.

The money raised from the event provides funding to the Futbolowa Banda initiative in Poland, led by Association Amp Futbol. The initiative provides children with a wide variety of disabilities the opportunity to play football, participate in tournaments and attend football camps tailored to their needs.

# AMBER'S CARBON FOOTPRINT

As a largely office-based organisation with c.180 employees, we have modest Scope 1 and 2 emissions. Our Scope 3 emissions are more significant, including emissions from the goods and services that we procure and our employee business travel.

Our balance sheet investments support the transition to net zero, including renewable energy generation and storage. However, compared to our office activities, they represent our most material GHG emission source (Scope 3 category 15).

Our Scope 1, 2 and 3 GHG emissions for the 2022 reporting period are detailed in this section.



## SCOPE 1 OFFICE HEATING

## SCOPE 2 OFFICE ELECTRICITY

## SCOPE 3

### NON-INVESTMENT

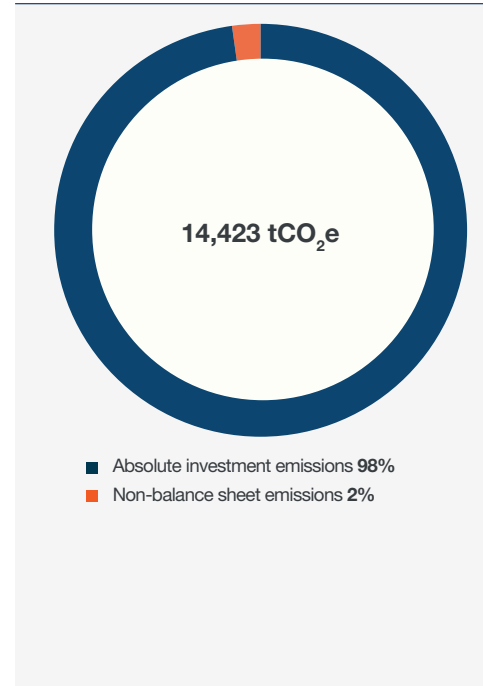
- Cat 2: Purchased goods and services
- Cat 3: Fuel and energy activities
- Cat 5: Office waste and water
- Cat 6: Business travel
- Cat 7: Commuting and homeworking

## SCOPE 3

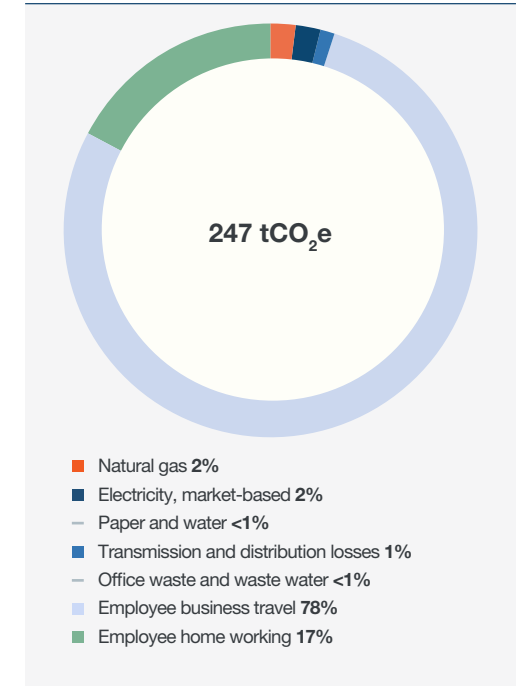
### INVESTMENTS

- Cat 15: Balance sheet investments
- Investment Scope 1 and 2 emissions
- Material investment-level Scope 3 emissions
- Apportioned to Amber using PCAF methodology

## TOTAL AMBER GHG EMISSIONS



## NON-INVESTMENT EMISSIONS BY SOURCE



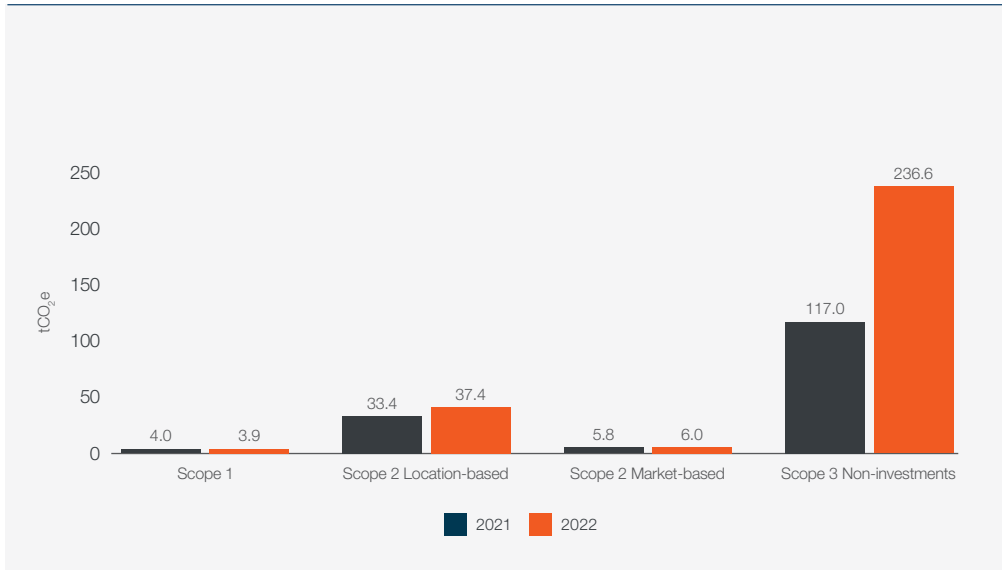
## NON-INVESTMENT GHG EMISSIONS

Amber's Scope 1 and 2 emissions in 2022 remained similar to the previous reporting period, with a slight increase of 1% compared to the previous reporting period. The electricity supply to Amber's London office, continued to be sourced from 100% certified renewable energy.

Our non-investment Scope 3 emissions increased in 2022 (+120 tCO<sub>2</sub>e), as described on the previous page, however on a per full time employee ('FTE') intensity basis (tCO<sub>2</sub>e/FTE), our total Scope 1, 2 (market-based) and 3 emissions remained relatively low at 1.46 tCO<sub>2</sub>e/FTE.

# AMBER'S CARBON FOOTPRINT CONTINUED

## NON-INVESTMENT EMISSIONS



## AMBER BALANCE SHEET EMISSIONS

Metric	2021	2022	Year-on-year %
<b>Absolute financed emissions (tCO<sub>2</sub>e)</b>	10,467	14,176	+35%
<b>Carbon footprint (tCO<sub>2</sub>e/£m invested)</b>	81	63	-22%

Having quantified the financed emissions for Amber's balance sheet investments for the first time in 2021, applying the GHG Protocol's methodology for apportioning emissions from investments<sup>7</sup>, we have now enhanced this methodology to align with PCAF Financed Emissions Standard (Part A).

Amber's financed emissions, which includes the Scope 1, 2 and material Scope 3 emissions of its balance sheet investments, increased by 35% in 2022. This was due to the expansion of our balance sheet investments, including Rail First, and the collection of additional Scope 3 data. However, our carbon footprint (tCO<sub>2</sub>e/£m invested) decreased by 22%, reflecting that although absolute emissions have increased as we made additional investments, the carbon intensity of the portfolio as a whole has decreased.

Amber is pleased to have become a member of PCAF, joining financial institutions that are committed to the harmonised assessments and disclosures of GHG emissions within the sector. Amber will draw from the wealth of experience within the group, and also provide feedback around the applicability and challenges within the infrastructure sector, particularly with respect to the attribution of emissions for concession-based investments.

## CASE STUDY: RAIL FIRST

Amber invested into Rail First Asset Management ('Rail First'); Australia's leading freight rail leasing business which own the third largest intermodal fleet of more than 1,300 locomotives and wagons.

In 2022, Rail First was awarded Australia's first ever freight Green Loan accreditation for a A\$125 million tranche, aligned with the Loan Market Association's ('LMA') Green Loan Principles.

The Green Loan will fund Rail First's ESG strategy, including the acquisition, upgrade and maintenance of intermodal wagons that have zero direct tailpipe carbon emissions. These initiatives further support the decarbonisation of Australia's transport sector, which currently accounts for approximately 20% of the nation's greenhouse gas emissions.

As part of its Green Loan requirements, Rail First will report annually on relevant impact metrics including the estimated tCO<sub>2</sub>e emissions avoided or reduced through the operation of its intermodal wagon fleet.



## FUND-LEVEL GHG EMISSIONS

Through the funds and other mandates that we manage and advise, we invest in infrastructure enabling a net zero economy and actively manage our existing investments to reduce GHG emissions wherever possible. As part of our commitment to align our investment activities with the objectives of the Paris Agreement, we created a fund-level GHG data collection and quantification tool in 2022.

This tool allows us to collect either primary activity data (including energy consumption, direct emissions etc.) or tCO<sub>2</sub>e data from investments. GHG emissions are quantified from the activity data in addition to attribution calculations using the underlying financial data of each investment, in line with the PCAF financed emissions methodology. The fund-level output data enables us to report against the TCFD recommended metrics and SFDR GHG Principal Adverse Indicators ('PAI'). An example of our fund-level GHG emissions reporting can be found in INPP's most recent Sustainability Report<sup>8</sup>.

<sup>7</sup> Further information on our GHG quantification methodology can be found in the appendix.  
<sup>8</sup> <https://www.internationalpublicpartnerships.com/media/2809/sustainability-report-march-2023.pdf>

# OUR PROGRESS

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Tideway, United Kingdom  
Photo credit: Tideway

# PERFORMANCE AGAINST OUR POLICY OBJECTIVES

## PERFORMANCE SUMMARY

**At Amber, we see ourselves as long-term stewards of our clients' capital and this philosophy leads us to focus on the long-term prospects for our investments.**

Consideration of ESG drivers is an important part of how we assess the long-term viability of investments we make. ESG drivers are non-financial factors that can influence, and be influenced by, our business activities and include aspects like climate change, demographics, resources, technology and social values.

We believe that a comprehensive ESG strategy can not only safeguard against adverse environmental and social impacts but also add resiliency to external changes, create value and drive growth. As part of our approach to ESG, we have three core objectives.

We track our annual progress against these objectives, which is summarised on this page and further detailed on the following pages.



Cargounit, Poland  
Photo credit: Cargounit

	1. DRIVE SUSTAINABLE GROWTH	2. INTEGRATE ESG CONSIDERATIONS INTO ALL ASPECTS OF OUR BUSINESS	3. ADVANCE ENVIRONMENTAL AND SOCIAL PROGRESS
	Use ESG drivers to create investment opportunities in new and existing markets.	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.	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.
<b>2023 OBJECTIVES</b>	<ul style="list-style-type: none"> <li>Continue to identify opportunities for investment in sustainable infrastructure that align with our mandates and where we feel we can support sustainable development more broadly.</li> </ul>	<ul style="list-style-type: none"> <li>Where relevant, we will integrate any new regulatory requirements into our processes and policies. We anticipate this will include recommendations of the Taskforce on Nature-related Financial Disclosures ('TNFD') and the UK Sustainability Disclosure Requirements ('SDR').</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop pragmatic solutions for net zero.</li> <li>Continue to deliver the mandates set by our impact clients.</li> <li>Identify scalable initiatives to improve sustainability performance of social infrastructure investments.</li> <li>Support investments to measure, monitor and improve emissions performance.</li> </ul>
<b>2022 PROGRESS</b>	<ul style="list-style-type: none"> <li>Began operations of a 50 MW/100 MWh utility-scale battery energy storage project located in Skelmersdale, UK, in partnership with Tesla.</li> <li>Invested over €300m into three projects dedicated to either renewable energy production, transmission, or generation.</li> </ul>	<ul style="list-style-type: none"> <li>Established a climate risk assessment framework.</li> <li>Assessed climate risks across INPP's investment portfolio.</li> <li>Developed bespoke data collection tools and processes to support enhanced disclosures.</li> <li>Amber-advised INPP reported in line with SFDR Article 8 requirements and TCFD recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>Worked with the UK's IPA to develop a net zero approach to PPP investments in the UK.</li> <li>Achieved 100% across six out of nine of INPP's ESG KPIs.</li> <li>230,000 tCO<sub>2</sub>e annualised GHG emissions avoided.</li> <li>Donated £370,863 worth of end-of-life equipment to 19 good causes across the UK as part of a PPP lifecycle replacement.</li> </ul>
<b>2021 PROGRESS</b>	<ul style="list-style-type: none"> <li>Supported 3SIIF to make its first energy investment in the Central and Eastern Europe ('CEE') region, a portfolio of 85 MW<sup>9</sup> renewable generation.</li> <li>Worked with the North of Tyne Combined Authority to launch the GNDF, a low-carbon impact fund.</li> </ul>	<ul style="list-style-type: none"> <li>INPP as an Article 8 Financial Product under the EU SFDR.</li> <li>Enhanced our due diligence process to include EU Taxonomy criteria where applicable and embedded a climate risk and opportunity assessment.</li> </ul>	<ul style="list-style-type: none"> <li>140,000 tCO<sub>2</sub>e annualised GHG emissions avoided.</li> <li>Assisted INPP in developing a set of environmental and social KPIs to help deliver its policy objectives.</li> </ul>

9 At financial close.

# DRIVE SUSTAINABLE GROWTH

**Objective:** Use ESG drivers to create investment opportunities in new and existing markets.

**2022 Progress:** In 2022, Amber made the following sustainable investments. These investments all contribute towards SDG 9, through the provision of quality, reliable, sustainable and resilient infrastructure as well as several other development goals as outlined below:

PRIMARY SDG	TARGETS	2022 INVESTMENT	FUND	LOCATION	SUPPORT FOR SDGs
	7.1, 7.2	East Anglia 1 ('EA1') OFTO	INPP	UK	<ul style="list-style-type: none"> <li>Long-term operation of the transmission link to the 714 MW EA1 offshore wind farm.</li> <li>The OFTO will enable the transmission of clean power to more than 600,000 UK homes.</li> </ul>
	6.3	Tideway	INPP	UK	<ul style="list-style-type: none"> <li>INPP increased its holding in Tideway to c.18%, deploying c. £42 million of additional capital.</li> <li>The three components of the London Tideway Improvements will work conjunctively to reduce discharges to the Thames in a typical year by about 37 million cubic metres.</li> </ul>
	4.6, 4.a	New Zealand Portfolio	INPP	UK	<ul style="list-style-type: none"> <li>In 2022 we made a commitment to invest in a portfolio of infrastructure assets in New Zealand which includes including three schools and a purpose-built student accommodation facility at the Auckland University of Technology. The acquisition reached financial close in 2023.</li> </ul>
	9.1	Family Housing for Service Personnel ('FHSP')	INPP	US	<ul style="list-style-type: none"> <li>INPP completed a follow-on investment in FHSP, comprising of c.21,800 family houses units for US service personnel.</li> </ul>
	4.6, 4.a	UK PPP Portfolio	INPP	UK	<ul style="list-style-type: none"> <li>INPP increased its investment in the three Building Schools for the Future ('BSF') projects.</li> <li>These BSF schemes combined provide education facilities to over 3,800 pupils.</li> </ul>
	11.2	Gold Coast Light Rail – ('GCLR') – Stage 3	INPP	Australia	<ul style="list-style-type: none"> <li>Stage 3 of the Gold Coast Light Rail network will provide an additional 6.7 km of electrified rail from Broadbeach to Burleigh Heads in Queensland Australia.</li> <li>The project will include eight new stations and five additional light rail trams.</li> </ul>
	11.2	NEoT Green Mobility ('NGM') (strategic partnership) <sup>10</sup>	3SIIF	CEE	<ul style="list-style-type: none"> <li>The strategic partnership between 3SIIF and NGM will deploy capital to boost the transition to zero-emission mobility in CEE.</li> <li>Initially focusing on zero-emission buses and associated infrastructure, the partnership will seek look to expand into other fleet sectors such as municipal vehicles and delivery vehicles.</li> </ul>
	7.2	R.Power <sup>10</sup>	3SIIF	Poland	<ul style="list-style-type: none"> <li>3SIIF acquired a minority stake in R.Power; a leading independent power producer ('IPP') active in solar PV and battery storage.</li> <li>Headquartered in Warsaw, Poland, with assets across Poland, Romania, Germany, Italy, Spain and Portugal.</li> <li>635 MWp of completed solar projects/ projects under construction.</li> </ul>
	11.2	Rock Road <sup>10</sup>	MEEF	UK	<ul style="list-style-type: none"> <li>MEEF provided a debt and equity funding solution to Rock Road for the financing of 30 Wrightbus Electroliners to be operated in London.</li> <li>The state-of-the-art vehicles are fully zero emission and will replace old diesel buses, in turn, saving c.1,750 tCO<sub>2</sub>e/annum.</li> </ul>
	11.2	Westminster Council Refuse Collection Fleet <sup>10</sup>	MEEF	UK	<ul style="list-style-type: none"> <li>MEEF provided a loan to Westminster Council, which partly financed its 45 new electric refuse collection vehicles and charging infrastructure to be operated by Veolia.</li> <li>The electric vehicles will be charged by batteries that draw electric power from an adjacent energy recovery facility, which uses waste collected from the borough of Westminster. The project will lead to an annual emission saving of c.2,000 tCO<sub>2</sub>e.</li> </ul>
	7.2	GGC	Balance Sheet	US	<ul style="list-style-type: none"> <li>Amber has invested in GGC; a RNG project in Colorado, US, which produces biogas through the anaerobic digestion of dairy waste.</li> <li>The project is expected to produce 360,000 MMBtu or RNG per year, which will lead to 68,000 tCO<sub>2</sub>e of avoided emissions.</li> </ul>
	11.2	Rail First	Balance Sheet	Aus	<ul style="list-style-type: none"> <li>Amber invested into Rail First Asset Management; Australia's leading freight rail leasing business. Rail First is Australia's leading provider of rolling stock solutions, and owns the third largest intermodal fleet of more than 1,300 locomotives and wagons.</li> <li>Rail First is also Australia's only manufacturer of rail wagons and provides a full-service offering including locomotive and wagon leasing and rolling stock maintenance.</li> </ul>

<sup>10</sup> Reached financial close in 2023.

## CASE STUDY: R.POWER

The EU is aiming for a 55% net reduction in GHG emissions by 2030<sup>11</sup>. To achieve this, the EU has introduced a 'Fit for 55' package of climate measures, which includes a revision to the Renewable Energy Directive ('RED') and a target of increasing the share of renewable energy in the EU's overall energy consumption to 42.5% by 2030<sup>12</sup>.

Catalysed by these commitments and the decreasing costs of solar production, solar capacity is rapidly expanding within the EU and is currently on track to double between 2022 and 2030<sup>13</sup>, and this is creating a favourable environment for investment.

With this backdrop, 3SIF has invested €150 million in R.Power, a leading IPP active in solar PV and battery storage. R.Power is headquartered in Warsaw and has operations across Poland, Romania, Germany, Italy, Spain and Portugal.

The Fund's investment will support R.Power with its long-term growth strategy, including a plan to achieve 1 GWp operating solar portfolio within the next two years across EU markets. R.Power is currently operating 358 MWp of utility-scale solar PV capacity, with further projects under construction that would bring this up to 635 MWp<sup>14</sup>.

The electricity generated from R.Power's projects helps to decarbonise the electricity grid within the countries it operates through the displacement of fossil-fuel based generation. To date, the electricity generated by R.Power has led to the avoidance of over 135,000 tCO<sub>2</sub>e. The scale of avoided emissions is expected to significantly increase over the coming years, as R.Power expands its solar capacity.

<sup>11</sup> <https://www.consilium.europa.eu/en/policies/green-deal/fit-for-55-the-eu-plan-for-a-green-transition/>

<sup>12</sup> [https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-targets\\_en](https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-targets_en)

<sup>13</sup> <https://auroraer.com/media/europe-on-track-to-double-solar-capacity-by-2030/>

<sup>14</sup> At time of publication.

### PRIMARY SDGs SUPPORTED



# >8.9 GWp

Of projects under development

# >135,000 tCO<sub>2</sub>e

Avoided to date

# 358 MWp

Of completed installed capacity

# >1,000,000

Panels in place

←  
R.Power, Poland  
Photo credit: R.Power

# 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.

## 2022 PROGRESS:

### DEVELOPED AND IMPLEMENTED AN ENHANCED CLIMATE RISK ASSESSMENT METHODOLOGY AND FRAMEWORK

Amber engaged Willis Towers Watson ('WTW') to develop a robust approach to assessing climate risks across the INPP investment portfolio. The objectives of the engagement were to:

- Identify potential physical and transition climate related risks and opportunities in the portfolio;
- Evaluate available platforms/tools for assessing climate risks across the portfolio and advise on their caveats/limitations;
- Provide clear steps to translate the outputs of the platforms into metrics relevant for the Company's valuation models; and
- Develop and test a climate risk assessment framework for use with new and existing investments.

During 2022, we used this framework to qualitatively assess INPP's portfolio and quantitatively assess a selection of investments where possible.

### CO-CREATED QUANTITATIVE CLIMATE RISK SCREENING TOOL WITH RMS

Working with WTW, Amber undertook a detailed review of 10 climate risk tools and catastrophe model providers. The following criteria were used to assess suitability:

- Covers relevant sectors and geographies;
- Covers relevant hazards, scenarios and time horizons;
- Allows for user-adjusted availability thresholds;
- Considers business interruption;
- Uses recent observations for present-day risk assessment;
- Uses multiple climate models for future assessment; and
- Third-party risk scoring methodology.

Following this extensive exercise, Amber engaged with its preferred provider, Risk Management Solutions ('RMS'), to develop an infrastructure solution for INPP. The outputs of the screening provide both a climate risk score aggregated for all risk hazards across each of INPP's investments, along with granular scores for each hazard (e.g. flooding).

### STRENGTHENED DUE DILIGENCE

Amber strengthened its due diligence requirements to help assess climate risks and opportunities for new investments. Depending on ESG categorisation, investments are now required to:

- Assess EU Taxonomy eligibility and alignment;
- Apply climate risk screen using the RMS tool;
- Consider SFDR Principal Adverse Indicators; and
- Be compatible with the Company's SFDR binding environmental and social commitments.

### ENHANCED ESG DATA COLLECTION AND QUANTIFICATION TOOLS

The ESG disclosure landscape is rapidly expanding, including regulatory requirements such as the EU Taxonomy and SFDR, and voluntary frameworks such as the TCFD.

To ensure we are able to monitor the performance of our investments and provide our stakeholders with the most useful and material information, we undertook an exercise in 2022 to update our ESG data collection and quantification tools. We drew upon Amber's non-financial reporting expertise which spans 12 years.

We developed in-house data collection templates, and a front-end quantification tool, with the data collection and consolidation process being semi-automated through bespoke coding. This enabled Amber to do the following:

- Disclose the 14 core Principle Adverse Impact ('PAI') indicators listed in Annex 1 of the SFDR Regulatory Technical Standards ('RTS');
- Report portfolio-level financed emissions data, in line with the PCAF methodology and TCFD recommended metrics;
- Monitor the progress of the funds we manage and advise against their ESG objectives and targets; and
- Continue to quantify our contribution to the UN SDGs.



## CASE STUDY:

# CLIMATE RISK FRAMEWORK

### FRAMEWORK DEVELOPMENT

Following the climate risk framework development described on the previous page, Amber established a physical climate risks process which included an assessment of the physical risks at an asset level, which then feeds into a review of the potential financial impacts on the project.

This review of financial materiality covers all financial aspects of a project, such as capital expenditure ('CapEx'), revenue and through to Amber's underlying asset valuations.

Given the long-term nature of our investments, the use of scenario analysis to consider a range of future climate states, and how they may have varying degrees of impact on investments, is an important element of the climate risk framework. In addition to assessing present-day climate risks for all investments, RMS utilise climate scenarios which represents a trajectory of GHG emissions under different assumptions for future socioeconomic development.

Amber's approach to physical climate risk analysis, including financial materiality and scenario analysis, is set out on this page and a case study of how this has been applied to the Amber-advised INPP portfolio is summarised on the following page.

### IDENTIFYING FINANCIAL MATERIALITY

Identifying critical climate-related thresholds is a key early step in a climate risk assessment. Identifying transmission channels is a critical step in this process. Transmission channels connect the valuation drivers of cash flow models with physical climate risks.

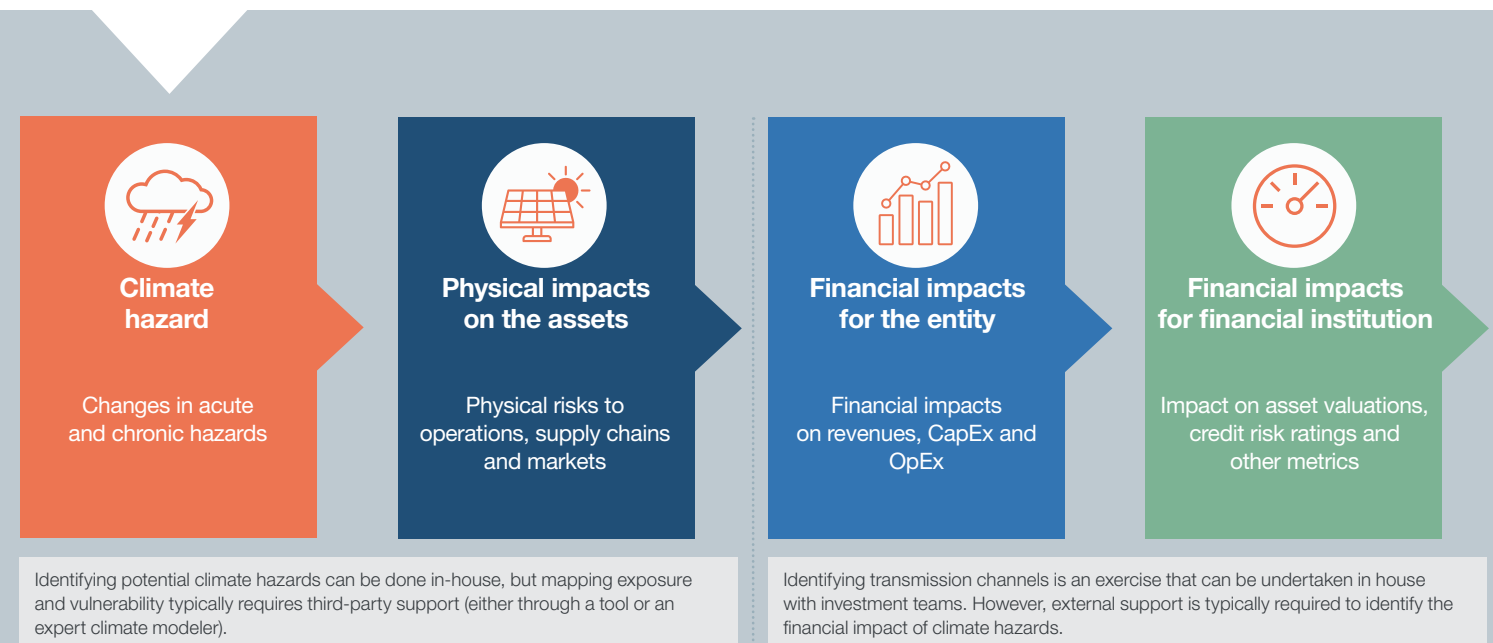
### SCENARIO ANALYSIS

For physical risk, the importance of the climate scenario depends on the investment timescale. Before around 2040, the different scenarios do not result in detectable differences in global warming. Amber therefore adopted the following recommendations for its physical climate risk scenario analysis:

- For all investments, we consider present-day climate risks;
- For investments with remaining lifetimes of 10–20 years, we consider one quantitative modelling scenario; and
- For investments with remaining lifetimes > 20 years, we consider at least one high and one low physical risk scenario – Representative Concentration Pathway ('RCP') 4.5 and RCP8.5.

The RCP8.5 (Business-as-Usual or 'BaU') corresponds to 3.7 degree Celsius rise by end of the century due to low or no effort to reduce emissions; and RCP4.5 (Middle Path) corresponds to 1.8 degree Celsius rise by end of the century due to moderate efforts to reduce emissions. Under these scenarios up to five priority climate hazards are assessed.

No probability is assigned to the scenarios because there are too many factors at play to make a reliable prediction. Given the uncertainty of climate outcomes, it is critical that multiple climate models are run for each scenario to estimate how a given level of greenhouse gases could affect the climate system.



Identifying potential climate hazards can be done in-house, but mapping exposure and vulnerability typically requires third-party support (either through a tool or an expert climate modeler).

## CASE STUDY:

# CLIMATE RISK FRAMEWORK IN ACTION

## PHYSICAL RISK ASSESSMENT

The table below summarises the application of Amber's climate risk framework for the Amber-advised INPP portfolio:

### QUALITATIVE SCREENING

- The portfolio is initially screened qualitatively against a longlist of 13 climate hazards by tracing the transmission channels from a hazard to its physical impact on an asset and the potential consequent financial implications for INPP, in light of the specific business models/investment contracts of the assets. The output of this screening is a shortlist of relevant hazards and assets that could potentially be financially affected by climate impacts.

### QUANTITATIVE SCREENING – PRESENT DAY

- Potential at-risk locations are quantitatively screened for present day physical climate impacts (pluvial flood, fluvial flood, coastal flood, extreme wind and tropical cyclone), using RMS's present day screening tool and their in-house climate risk scoring framework. Potential impacts are quantified as Annual Average Loss and Business Interruption and risk scores are provided.
- Where it is not possible to undertake quantitative screening of present-day risks for INPP's investments using RMS, Amber will engage management of investee companies to request a quantitative risk assessment.

### QUANTITATIVE SCREENING – FUTURE SCENARIOS

- Screening for physical risks under potential forward-looking scenarios is conducted using RMS's screening tool, for the hazards and geographies currently available.
- All assets with at least a ten-year remaining investment horizon, and constituting at least 1% of the projected portfolio value, are screened for physical climate risk under future climate scenarios described on the previous page.

### ASSET-LEVEL ASSESSMENTS

- Higher risk assets identified at the 'Quantitative Screening: Present Day' step or the 'Quantitative Screening: Future Scenarios' step undergo an Asset-Level Risk Assessment. These risk assessments are conducted through a combination of one or more of the following: (a) contract review (to evaluate whether physical risks could result in financial impacts for INPP), (b) sensitivity testing on the inputs to INPP's financial valuation models (to explore whether financial impacts could be material), and/or (c) through engagement with the portfolio company to request a deep dive asset level risk assessment.

### RISK MANAGEMENT OPTIONS

- Where an 'Asset-level Assessment' indicates material physical risks, risk management options are identified to manage the risks to the asset and/or portfolio to acceptable levels. Options include: avoid; mitigate; transfer (including insurance); accept; divest; diversify; and hedge.

## PHYSICAL RISK INSIGHTS

Key findings from the climate impact assessment are:

- All of INPP's investments are exposed to physical climate hazards of varying types and severity.
- Following the qualitative review of 13 hazards, flood, tropical cyclone, extreme wind and heat were identified as the most significant. Other hazards could affect particular assets, but do not pose a widespread risk.
- For some investments, climate change and extreme weather may damage physical assets, cause business interruption and create additional costs for maintenance and upgrades.
- Many of these physical risks would not result in financial losses for INPP because several mitigations are in place, including contractual arrangements and insurance.
- 101 investments have been quantitatively screened using the RMS climate risk screening tool across 295 individual locations. This number excludes investee companies that are undertaking their own assessments due to complexity (e.g. FHSP).
- The vast majority (100) were assessed as extremely low or very low risk. One investment was assessed to be at low risk due to one of the locations being at a higher risk of flooding. Although not financially material to INPP, Amber will engage with the local authority to support the development of an appropriate mitigation strategy.
- Based on the current assessment, the potential financial impact across the portfolio is not expected to be material.

At the portfolio level, the results demonstrate the overall financial resilience of the portfolio, enable better climate reporting, provide Board-level feedback on risk, and help inform future acquisition screening and strategic portfolio construction.

## NEXT STEPS

- The results of the assessment will be used by Amber's Investment Asset Management team and the investment management teams to continue to develop and inform risk mitigation strategies over time, increase climate resilience and develop potential opportunities.
- Some hazards are not currently addressed by the climate risk assessment methods and so will require bespoke research. This includes the impact of heat, which is a challenge for the sector and Amber will continue to work with WTW and RMS to identify a method to quantitatively screen heat risks.
- Engage with investee companies where the RMS risk screening tool was inappropriate for assessing some investments.
- The INPP Audit and Risk Committee will continue to monitor risks annually, noting any material changes to the current assessment.

# 13

Hazards qualitatively assessed

# 5

Priority hazards quantitatively screened

# 101

Investments quantitatively screened

# 100

Investments extremely low or very low risk

# 1

Investments low risk

## ADVANCE ENVIRONMENTAL AND SOCIAL PROGRESS



**Objective:** 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.

**2022 Progress:** Our expert investment asset managers, together with our ESG team, look to continuously improve the environmental and social performance of our funds and investments. To do this, it is critical that we monitor and track our performance, by collecting investment-level ESG data and analysing fund-level KPIs.

This allows us to understand the baseline performance of our portfolio, assess the real-life impact of our ESG initiatives and provide valuable information to our stakeholders. This Approach is built on over ten years' experience we've developed through co-creating and delivering impact funds in partnership with local government:



The Amber-managed, low-carbon fund, MEEF, targets energy efficiency and carbon reduction projects in London, in support of the London's 2030 net zero target.

As energy efficiency and decarbonisation are two focus areas for MEEF, Amber has set out several impact-related indicators to track and report on the progress that the fund makes against these core objectives.

MEEF is a sustainable investor, targeting environmental and socio-economic returns on investment. Projects supported by MEEF aim to

deliver Energy Savings (in kWh) from the Energy Conservation Measures ('ECMs') of at least 20% and/or tCO<sub>2</sub>e reduction of £7,000 of investment per tCO<sub>2</sub>e saved<sup>15</sup>.

Amber collects and quantifies this data at an individual investment level, in order to confirm that projects are meeting their impact objectives. In addition, we track the performance of the fund against these impact-metrics on a cumulative basis.

# 81,475 tCO<sub>2</sub>e

GHG emissions avoided

# 62,676

Equivalent cars removed from the road<sup>16</sup>

# >4,300

Estimated households supported through energy initiatives

# >73 GWh

Energy saved

# 15,599

Estimated jobs created

<sup>15</sup> As at 31 December 2022.

<sup>16</sup> Average car in London.

## CASE STUDY:

# WESTMINSTER COUNCIL ELECTRIC REFUSE FLEET

Westminster Council in London, UK has an ambitious target to be a net zero council by 2030<sup>17</sup>. Part of the challenge of reaching this target is the decarbonisation of its vehicles, including its refuse collection fleet.

As part of Westminster Council's decarbonisation initiatives, the Amber-managed MEEF has provided a loan to the Council to partly finance 45 new electric refuse collection vehicles and charging infrastructure, making it the UK's largest waste collection fleet.

The project supports local supply chains where possible, with the electric vehicles manufactured in Warwick, UK, by Dennis Eagle Ltd. along with the charging infrastructure installed by UK Power Networks.

## TECHNICAL HIGHLIGHTS

Westminster's fleet is operated by Veolia and completes 50 million collections every year. The electric refuse vehicles will save up to 89% CO<sub>2</sub>e compared to the previous diesel-powered fleet, it's estimated that the new vehicles will save over 2,000 tCO<sub>2</sub>e per annum<sup>18</sup>.

The charging infrastructure, also funded by MEEF, will be capable of charging 54 vehicles simultaneously, with the power sourced from an adjacent energy recovery facility. This means that the electric vehicle fleet will be uniquely powered by energy recovered from the refuse that they collect from homes and businesses in Westminster, which supports a circular economy.

Smart charging will also allow the partnership to support the National Grid by receiving power at non-peak times to maximise local resources and strengthen the grid's resilience.

In addition to the GHG savings the new fleet will reduce noise levels and improve air quality with zero-tailpipe emissions.

<sup>17</sup> <https://www.westminster.gov.uk/tackling-climate-change-westminster/our-climate-action-plan>

<sup>18</sup> >1,700 tCO<sub>2</sub>e from the vehicles specifically funded by MEEF

## PRIMARY SDGs SUPPORTED



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

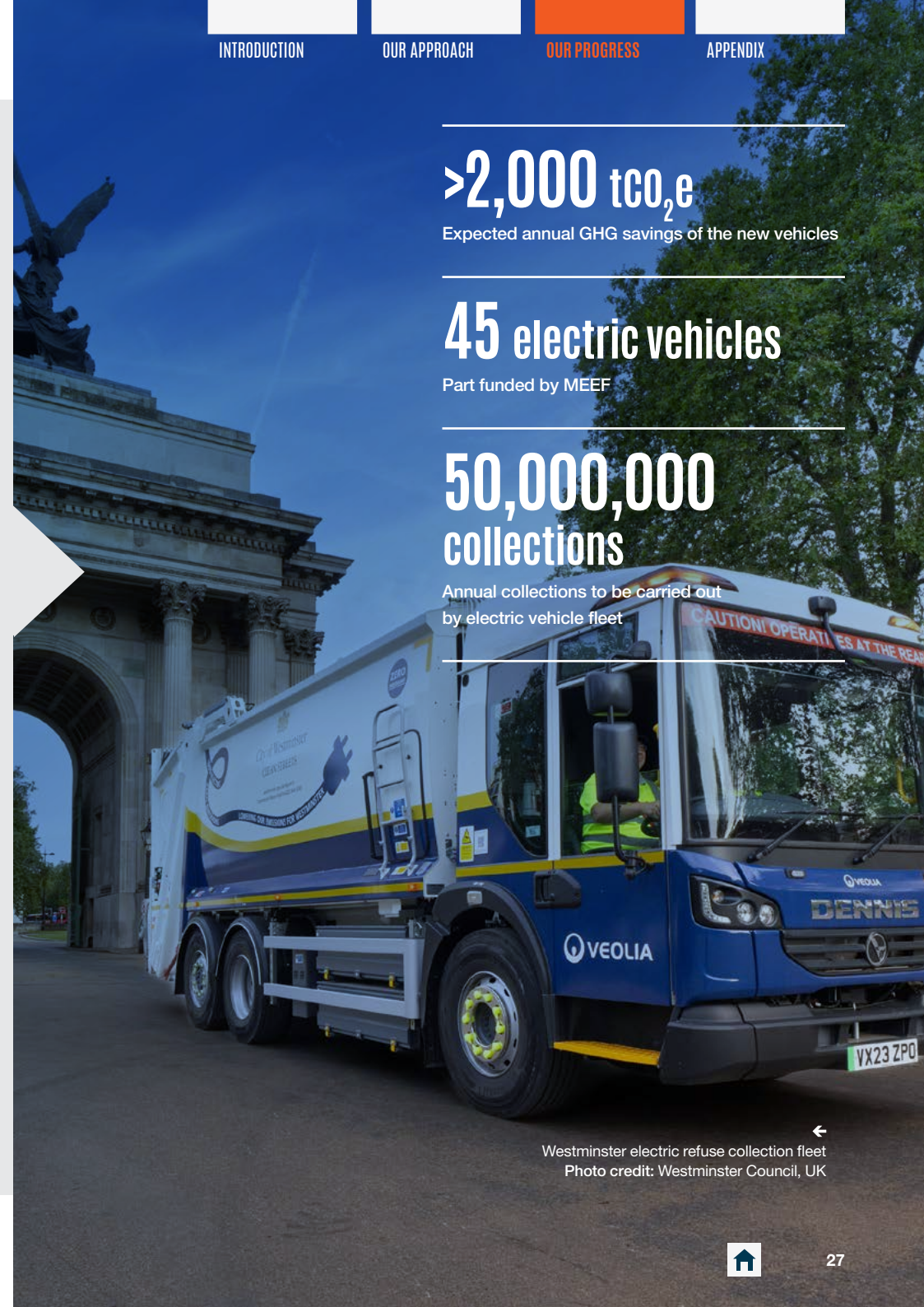
Expected annual GHG savings of the new vehicles

# 45 electric vehicles

Part funded by MEEF

# 50,000,000 collections

Annual collections to be carried out by electric vehicle fleet



Westminster electric refuse collection fleet  
Photo credit: Westminster Council, UK

# ALIGNMENT WITH THE PARIS AGREEMENT OBJECTIVES

We are pleased to report on our continued progress against the objectives we set as part of our support of the Paris Agreement:

## DEVELOPING AND INVESTING IN GREEN ENERGY

### Investing in renewable energy generation

Amber has a strong track record of investing in renewable energy generation. Through financing renewable electricity generation, we can contribute to regional and national net zero targets and avoid significant quantities of GHG emissions.

This is demonstrated most recently through the Amber-advised 3SIIF investment into R.Power; a leading IPP active in solar PV and battery storage. R.Power currently is operating and constructing 635 MWp of utility-scale solar PV plants in Poland and Portugal. Further detail on this investment can be found on page 22.

### Investing in supporting infrastructure

In addition to renewable electricity generation, Amber invests in technology that is vital for supporting the shift to a renewables-based electricity system and has pioneered investment into offshore wind electricity transmission in the UK. The Amber-advised INPP is the largest OFTO investor, currently owning and managing 10 of the 25 OFTO assets in the UK and is the preferred bidder on an additional OFTO. In 2022, INPP reached financial on the East Anglia One ('EA1') OFTO which connects electricity generated by 102 offshore wind turbines to the UK grid. In total, INPP's OFTO portfolio now has the capability to transmit enough clean energy to power the equivalent of 2.7 million homes.

### Asset management

Amber is an active member of the UK Infrastructure and Projects Authority's ('IPA') Net Zero Working Group, aimed at establishing a net zero strategy for Private Public Partnership ('PPP') investments in the UK. The group has collectively supported the development of a sector-specific net zero stewardship guidance document and agreed on a streamlined approach to carbon data collection and quantification and site-level net zero feasibility studies.

## SUPPORTING NET ZERO SOLUTIONS

### Develop financing solutions

Amber is committed to developing innovative financing solutions which support the transition to net zero. The Amber-advised 3SIIF has formed a strategic partnership with NEoT Green Mobility ('NGM'), the financing platform managed by NEoT. The partnership is focused on deploying long-term funding solutions to accelerate the adoption of zero-emission vehicles across the CEE region to support the transition to net zero.

### Unlocking technical solutions

Transport contributes to approximately 20% of global GHG emissions and decarbonising road vehicles is one of the fundamental keys to unlocking net zero<sup>19</sup>. Alternative fuels such as biofuels are playing an important role in reducing the GHG intensity of internal combustion engine ('ICE') vehicles. Amber's investment into GreenGas, as detailed on page 13, supports the production of renewable biofuel sourced from the anaerobic digestion of dairy waste in the US, leading to significant quantities of avoided GHG emissions and displacing the combustion of virgin fossil fuels.

Energy storage will be critical for decarbonising electricity grids, helping compensate for the intermittent nature of renewable generation. In partnership with Tesla, operations commenced at the 50 MW/100 MWh utility-scale battery energy project located in Skelmersdale, UK. The project utilises Megapack, Tesla's large-scale lithium-ion battery technology. Under Amber's asset management, the storage facility provides grid balancing services and supports the UK's energy grid transition.

## ALIGNING OUR ACTIVITIES WITH THE PARIS AGREEMENT

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

During 2022 we significantly enhanced our ESG data collection and quantification process. This included the ability to collect and quantify investment-level Scope 1, 2 and 3 data. In addition, we developed a calculation tool to quantify portfolio-level financed emissions in line with the in accordance with the PCAF Financed Emissions Standard and the GHG metrics recommended by the TCFD.

Amber applied this enhanced GHG data process to quantify the 2022 portfolio-level financed emissions for the INPP fund, which were disclosed in its latest Sustainability Report<sup>20</sup>. Going forward, this GHG data will allow us to analyse the baseline GHG performance of our investments, create emissions forecasts and to identify opportunities to implement decarbonisation projects.

### Strengthening climate disclosures

Amber worked with Willis Towers Watson ('WTW') to develop a robust approach to assessing climate risks across the INPP portfolio. This included co-creating a quantitative climate risk screening tool with RMS which is outlined on pages 24-25. Following these developments, INPP published a full climate risk report section, in line with the TCFD recommendations, within its 2023 Sustainability Report.

### Decarbonising investment projects and companies

In addition to unlocking technical and financial solutions for net zero, through the investment activity, we also aim to improve the carbon and energy performance of our existing investments through our active approach to asset management. Our Rail First investment, Australia's leading freight rail leasing business, is working towards significant emissions reductions through the acquisition, upgrade and maintenance of intermodal wagons that have zero direct tailpipe carbon emissions. In addition to the shift from diesel power to electric wagons, the avoided GHG emissions will increase as the Australian electricity grid mix decarbonises in line with national net zero targets.

<sup>19</sup> <https://www.statista.com/topics/7476/transportation-emissions-worldwide/#topicOverview>

<sup>20</sup> <https://www.internationalpublicpartnerships.com/media/2809/sustainability-report-march-2023.pdf>

## CASE STUDY:

# SUSTAINABLE ROAD PASSENGER TRANSPORT

Public transportation provides greater efficiency in passenger mobility compared to personal car use and significantly reduces GHG and air emissions on a per passenger basis as well as embodied carbon.

A fully loaded, diesel-powered double deck bus reduces the need for an equivalent 75 cars<sup>21</sup>, and reduces GHG emissions on a per passenger basis by up to 44%<sup>22</sup>. On top of that, an electric bus powered by the grid in the UK produces 70% less GHG emissions compared to diesel buses on a lifecycle basis<sup>18</sup>.

Electric buses, therefore, can play an important role in the transition to a net zero transport sector, and are categorised as a sustainable investment under the EU Taxonomy's Climate Mitigation objective. Below are two recent examples of electric bus projects across the funds that Amber manages or advises, in line with its objective to develop and invest in green technology.

## ROCK ROAD

The Amber-managed MEEF fund has provided a debt and equity funding solution to Rock Road, a subsidiary of Rock Rail, for the financing of 30 Wrightbus Electroliners to be operated in London, by the operating company Abellio. The funding also supports the installation of the battery charging infrastructure.

The state-of-the-art vehicles are fully zero-emission and will replace old diesel buses. This is estimated to lead to emission savings of over 1,750 tCO<sub>2</sub>e each year and contribute to the improvement of the air quality across the bus routes. The project supports Transport for London's ('TfL') pledge to make all of London's buses electric by 2034.

## NEOT & 3SIIF PARTNERSHIP

The Amber-advised 3SIIF has formed a strategic partnership with NGM, the financing platform managed by NEoT, which will seek to deploy capital to boost the transition to zero-emission mobility in CEE.

The initial focus of this partnership is to invest in zero-emission buses and supporting infrastructure including charging equipment. This will support bus operators to make the transition to electric vehicles and contribute to the EU's Clean Vehicle Directive objective of increasing the share of low and zero-emission public transport vehicles.

The partnership offers long-term funding solutions to bus operators, allowing for cost certainty and flexibility to upgrade technology throughout the contract's duration.

Although the initial focus for the partnership will be zero-emission buses and associated infrastructure, the expectation is that this scope will expand to include other fleet sectors across the CEE region, such as refuse collection and delivery vehicles.

<sup>21</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf)

<sup>22</sup> Average car in the UK and an average local bus: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>

# >30

Electric buses funded by MEEF

# >1,750 tCO<sub>2</sub>e

Estimated annual GHG savings from MEEF funded electric buses



## PRIMARY SDGs SUPPORTED



Abellio, UK  
Photo credit: Abellio

## LOOKING AHEAD



MICHAEL GREGORY, COO

**We are very pleased with the progress Amber has made over the last year in terms of sustainability, as detailed throughout this Report. Our data collection and disclosure progress over the last year has meant we now have greater insights into the current sustainability performance of the investments within the funds that we manage and advise. This will be incredibly useful over the coming year, and beyond, to identify further areas for progress.**

With significant work on data and regulatory reporting during 2022, we will be particularly focused going forward on using our active approach to asset management to target real-world improvements to the sustainability of our investments, which we will be able to see the benefit from through our ongoing data monitoring.



DANIEL WATSON, HEAD OF ESG

### AMBER HORIZONS

The pace of change across the infrastructure sector, from the transition to fully renewables-based electricity grids, to ubiquitous digitalisation means that the time between early-stage development to wide-spread adoption of investable technologies is constantly narrowing. As our investment lifecycles often span many years, it is more important than ever for us to understand macro drivers and incorporate trend analysis thinking into our investment decision making.

We are working to develop our Amber Horizons programme, to further integrate the findings from our research into our origination and investment asset management activities. Accessible data feels almost infinite now, so a key aspect that we will be working on for our Amber Horizons programme is to collect relevant information and to filter this down to the most material points for our teams, so that it can be used in the most efficient and targeted way. This filtering includes identifying how trends are important for Amber, whether it's a potentially investable technology, or an opportunity to add value to our existing investments.

### REGULATORY AND FRAMEWORK DEVELOPMENTS

Amber is part of the forum for the TNFD, which is a framework for assessing nature-related risks. Amber recognises the urgent need to address the global strain on natural capital and is supportive of these initiatives. We will keep up to date with the taskforce developments, with the first TNFD recommendations expected in the second half of 2023. Similarly, Amber will monitor the development of sustainable finance regulations, including the UK-specific Taxonomy and SDR.

Following the EU Commission's adoption of four additional environmental objectives under the EU Taxonomy regulation, Amber will continue to progress with its work to evaluate the alignment of investments against the Taxonomy criteria.

### NET ZERO

Now that Amber is a signatory of PCAF, we will be engaging with the group to provide our experience of using the standards from an infrastructure perspective. We will also seek to discuss challenges that we have identified with applying the methodology in the context of concession-based infrastructure and support, where possible, in developing additional attribution methodologies that will aim to better reflect the nature of this investment type.

Amber will continue to engage with its investments with regards to net zero to set targets and progress decarbonisation initiatives where we have appropriate levels of control. For some investments, Amber is restricted in what it can influence in terms of GHG reduction measures. For example, these include minority investments, or rail assets that are reliant on the decarbonisation of the national electricity grid and appropriate low carbon infrastructure. Amber will continue to collaborate with its partner organisations to assess climate mitigation measures and to help incorporate these opportunities into future agreements.

Identifying practical net zero solutions and pathways for INPP's social infrastructure investments will be a priority throughout 2023. This includes expanding site-level net zero assessments and working towards the implementation of decarbonisation initiatives.

### 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.

We would like to thank our valued stakeholders for their ongoing support and welcome their views to support our approach to responsible investment disclosures. Please do not hesitate to contact us through [investorrelations@amberinfrastructure.com](mailto:investorrelations@amberinfrastructure.com).

**MICHAEL GREGORY**  
CHIEF OPERATING OFFICER  
CHAIR OF ESG COMMITTEE

**DANIEL WATSON**  
HEAD OF ESG

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# AMBER CARBON FOOTPRINT

Scope	Category	Source	Emissions tCO <sub>2</sub> e		Year-on-year
			2021	2022	%
1	Energy	Natural gas	4.00	3.90	-3%
2	Energy	Electricity, location-based	33.40	37.40	12%
	Energy	Electricity, market-based	5.80	6.00	3%
3	Cat 2: purchased goods and services	Paper and water	0.20	0.50	150%
	Cat 3: fuel and energy activities	Transmission and distribution losses	3.00	2.20	-27%
	Cat 5: waste generated	Office waste and wastewater	0.40	0.52	30%
	Cat 6: business travel	Employee business travel	45.60	192.20	321%
	Cat 7: commuting and homeworking	Employee home working	67.80	41.20	-39%
	Cat 15: investments (balance sheet)	Absolute investment emissions	10,467.42	14,176.00	35%
	Cat 15: investments (balance sheet)	Investment carbon footprint per £m invested	81.29	63.03	-22%
	Total operational emissions (Scope 1 and 2), location-based		37.40	41.30	10%
	Total operational emissions (Scope 1 and 2), market-based		9.80	9.90	1%
	Total Scope 1, 2 (market-based) and 3 emissions (exc. investments)		126.80	246.52	94%
	Total Scope 1, 2 (market-based) and 3 emissions (inc. investments)		10,594.22	14,422.52	36%
	Emissions avoided through balance sheet investments		1,006.81	0.00	-100%

# GHG METRICS METHODOLOGY

## GHG QUANTIFICATION METHODOLOGY

Amber's GHG footprint has been quantified in accordance with the Greenhouse Gas Protocol guidance, including the Corporate Standard<sup>23</sup> and Corporate Value Chain (Scope 3) Standard<sup>24</sup>. Our organisational boundary has been defined in accordance with the Greenhouse Gas Protocol's Operational Control approach. Our reporting period is 1 January to 31 December.

We have followed the 'dual reporting' approach recommended by the GHG Protocol Scope 2 Guidance (January 2015)<sup>25</sup>. This includes reporting both a 'location-based' Scope 2 emission figure, calculated using grid-average emission factors for imported electricity, as well as a 'market-based' Scope 2 figure, which considers certified renewable electricity consumed by investments in addition to the residual energy mixes of regional markets.

We have used publicly available emission factors for our GHG quantification, including the Department for Energy Security and Net Zero UK ('DESNZ') Greenhouse gas reporting: conversion factors 2022<sup>26</sup>, as well as other country-specific grid average electricity factors.

## Scope 3 Category 15 – Amber Balance Sheet Investments

Amber's balance sheet investments have been accounted for in our Scope 3 category 15 emissions (Investments). This includes the Scope 1 and 2 emissions of these investments, and Scope 3 emissions where material, which have been apportioned to Amber in accordance with the principles of 'PCAF (2022) The Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition'<sup>27</sup>. Amber applied the project finance attribution factors for the majority of its portfolio and the financial input data used were taken from the latest available audited data for each asset.

23 <https://ghgprotocol.org/corporate-standard>

24 <https://ghgprotocol.org/standards/scope-3-standard>

25 [https://ghgprotocol.org/scope\\_2\\_guidance](https://ghgprotocol.org/scope_2_guidance)

26 <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

27 <https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>



# BENCHMARKS AND FRAMEWORKS

## SUPPORTER OF THE SDGs



## SIGNATORY OF UN-BACKED PRI

5\* Strategy and Governance Module  
5\* Infrastructure Module

Signatory of:



## SUPPORTER OF THE TCFD



## SUPPORTER OF THE OBJECTIVES OF THE PARIS AGREEMENT



## GHG EMISSIONS QUANTIFIED IN ACCORDANCE WITH THE GHG PROTOCOL STANDARDS



## AMBER IS A MEMBER OF PCAF

Amber's financed emissions have been quantified using the methodology set out in PCAF (2022), The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition



## AMBER IS A MEMBER OF THE FORUM FOR THE TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES ('TNFD')



## THE AMBER-ADVISED INPP FUND IS CATEGORISED AS AN ARTICLE 8 FINANCIAL PRODUCT, UNDER THE EU SFDR



BeNEX (ODEG), Germany

# GLOSSARY

<b>3SIIF</b>	Three Seas Initiative Investment Fund	<b>PFI</b>	Private Finance Initiative
<b>BSF</b>	Building Schools for the Future	<b>PPP</b>	Public-private partnerships
<b>COP</b>	United Nations Climate Change Conference of the Parties	<b>PRI</b>	The UN-backed Principles for Responsible Investment
<b>ESG</b>	Environmental, Social and Governance	<b>RTS</b>	EU Commission's Regulatory Technical Standards relating to the SFDR
<b>EU</b>	European Union	<b>SBTi</b>	Science Based Targets Initiative
<b>EU Taxonomy</b>	EU Taxonomy for Sustainable Activities	<b>Scope 1 Emissions</b>	Direct emissions from owned or controlled sources
<b>FP</b>	Financial Product	<b>Scope 2 Emissions</b>	Indirect emissions from the generation of purchased energy
<b>GHG</b>	Greenhouse Gas	<b>Scope 3 Emissions</b>	Indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.
<b>GLA</b>	Greater London Authority	<b>SDGs</b>	Sustainable Development Goals
<b>GNDf</b>	The Green New Deal Fund	<b>SDR</b>	The proposed UK Sustainability Disclosure Requirements
<b>GW</b>	Gigawatt	<b>SFDR</b>	The EU Sustainable Finance Disclosure Regulation 2019/2088
<b>GWh</b>	Gigawatt hour	<b>SPRUCE</b>	The Scottish Partnership for Regeneration in Urban Centres
<b>INPP</b>	International Public Partnerships	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>IPA</b>	Infrastructure and Projects Authority	<b>tCO<sub>2</sub>e</b>	Tonnes of carbon dioxide equivalent
<b>IPP</b>	Independent Power Producer	<b>TfL</b>	Transport for London
<b>LEEF</b>	The London Energy Efficiency Fund	<b>TNFD</b>	Task Force on Nature-Related Financial Disclosures
<b>LMA</b>	Loan Market Association	<b>Transition risk</b>	Transition risks include policy changes, reputational impacts, shifts in market preferences, norms and technology. Transition opportunities include those driven by resource efficiency and the development of new technologies, products and services, which could capture new markets and sources of funding.
<b>MEEF</b>	The Mayor of London's Energy Efficiency Fund	<b>UNGC</b>	United Nations Global Compact
<b>MW</b>	Megawatt	<b>WTF</b>	Willis Tower Watson
<b>MWh</b>	Megawatt hour		
<b>NDIF</b>	National Digital Infrastructure Fund		
<b>NTCA</b>	North of Tyne Combined Authority		
<b>Net zero</b>	Refers to balancing the amount of emitted greenhouse gases with the equivalent emissions that are either offset or sequestered. This should primarily be achieved through a rapid reduction in carbon emissions, but where zero carbon cannot be achieved, offsetting through carbon credits or sequestration through rewilding or carbon capture and storage needs to be utilised.		
<b>OECD</b>	Organisation for Economic Co-operation and Development		
<b>OFTO</b>	Offshore Electricity Transmission project		
<b>PCAF</b>	The Partnership for Carbon Accounting Financials: The Global GHG Accounting and Reporting Standard for the Financial Industry.		



Greenery, Estonia  
Photo credit: Greenery

# DISCLAIMER

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