

Cubico
SUSTAINABLE INVESTMENTS



**Environmental,
Social and
Governance
Report 2022**



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Our Kitheronas wind farm in Greece

About this report

Towards a more sustainable future

This is Cubico Sustainable Investments' third annual sustainability report, which focuses on our environmental, social and governance (ESG) performance in the 2022 calendar year (1 January – 31 December), unless otherwise noted.

Performance data is shown for global renewable energy holdings which Cubico owned in 2022, either fully or partially, and where the company maintains operational control. In cases where Cubico is a partial owner, the data reflects the entire asset rather than being prorated by Cubico's ownership share. Unless otherwise stated, reported data excludes assets under development.

In some cases, performance data from 2021 has been included to show year-over-year comparisons.

This report was informed by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) as well as the Global Reporting Initiative (GRI). Please refer to the appendices for TCFD disclosures and a list of GRI-referenced claims.

Questions or feedback on this report?

Please contact Louis Scorza, Communications & Marketing Manager, at louis.scorza@cubicoinvest.com

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2022 sustainability highlights



Renewable energy produced

7,042 GWh

Equivalent to the energy used by over

2.4 million UK homes per year



Emissions avoided

1,598 ktCO₂e

Equivalent to the annual emissions of over

260,000 UK residents



GRESB
★★★★★ 2022

GRESB score

94 GRESB global average score: 79



Community investment

\$2.1M

Funds invested in local initiatives and charities through our CSR programme (USD)



About Cubico

Message from our CEO

It's time to accelerate the shift to green energy

I am delighted to introduce our third ESG report, detailing our performance for the 2022 calendar year.

More than ever, the events of 2022 highlighted the urgent need to expand the availability of green energy. From massive floods and droughts to extreme heatwaves and wildfires, we experienced the devastating effects of climate change in every corner of our planet.

To mitigate the impacts of climate change—indeed, to meet them head on—we must accelerate our efforts to build out renewable energy capacity and create a sustainable energy supply.

I am proud of the role Cubico, as one of the world's largest privately-held renewable energy companies, is playing in trying to solve the climate crisis. Our new business strategy, which was approved in 2022, places a strong focus on accelerated growth to power the green energy transition.

Our new strategy reaffirms and places an increased focus on ESG as a key pillar of our business. So while we continue to scale up

our green energy business, we are acutely aware of the need to do so sustainably and to ensure that we will positively impact our stakeholders beyond decarbonisation.

We recognise the inherent role we have as environmental stewards in ensuring that all our investments meet best practice ESG standards. We invest ahead of the curve in governance, operations and people because it is the right thing to do. In short, we endeavour to run our business in a way that gives more to the planet and society than it takes.

And while we are proud of our accomplishments, we also know there is room to do more. Our entire team continues to work hard to find ways to capitalise on ESG opportunities and enhance our policies, processes and practices. We believe in our collective responsibility to achieve our ambitious sustainability goals and create positive change for future generations.

Thank you for taking the time to read this report. We welcome your feedback and questions.



David Swindin
Chief Executive Officer

Our Andasol concentrated solar power plant in Spain

Who we are

Cubico is a global renewable energy provider

12 countries. 4 continents. 1 vision.

Cubico is a global independent power provider working in 12 countries on four continents.

Headquartered in London, UK, we have regional offices in Australia (Sydney and Melbourne), Brazil (São Paulo), Colombia (Bogotá), Greece (Athens), Italy (Milan), Mexico (Mexico City), Spain (Madrid), Uruguay (Montevideo) and the USA (Austin and Stamford).

Our highly experienced leadership team has been at the forefront of the energy transition for the last 20 years. Investing solely in renewable energy since we began in 2015, Cubico has helped bring renewables into the mainstream.

Our asset portfolio includes solar photovoltaic, onshore wind, concentrated solar power (CSP), and transmission/distribution networks. Covering the entire energy chain, from development and/or construction to operation, we add clean energy to local electricity grids, thereby decreasing the world's reliance on more carbon-intensive coal and natural gas.

Scaling up to meet growing energy needs

A world that is increasingly electrifying and decarbonising requires a scalable renewable energy sector to meet growing energy needs. Cubico's joint owners, Ontario Teachers' Pension Plan (OTPP) and the Public Sector Pension Investment Board (PSP Investments), share our understanding of this urgent need. As a major, privately-owned renewable energy company, we are delivering on our shareholders' ambitious carbon reduction commitments, including their goal to achieve net-zero by 2050.

Global market and political forces play a role too. National pledges to become net-zero, corporate renewable energy commitments, public demand for swift climate action, and an investor focus on climate-proofed investments through frameworks like the Task Force on Climate-related Financial Disclosures (TCFD) are all fuelling the transition to a low-carbon economy.

Local knowledge equals local impact

We understand and place great value on local presence because energy markets are different in each country. We pride ourselves on building trust and acquiring local knowledge wherever we operate. In doing so, we are reshaping the future of energy production while protecting the environment and supporting the communities where we operate.



5 GW+
capacity



170+
assets



350+
employees



2022 energy capacity (MW)

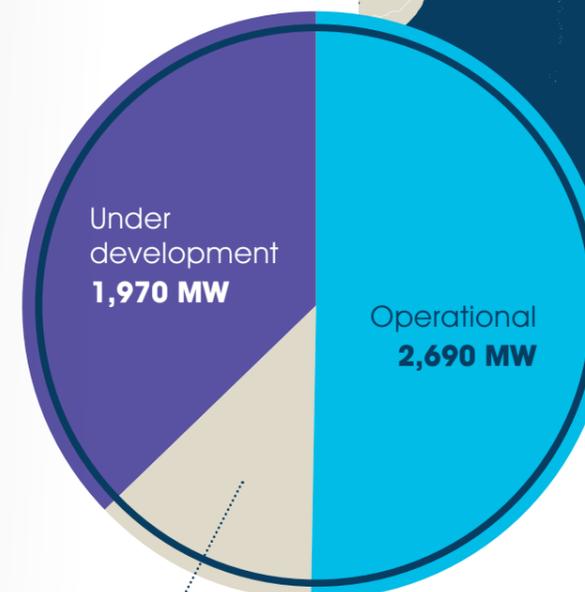
Countries in which Cubico was active as of 31 December 2022



Total
5,328 MW



Asset type and capacity (MW)



The capacity figures referenced on these pages comprise installed capacity and pipeline projects.



Our values

Cubico is a purpose-driven organisation

We are guided by six core values

Diversity, Respect, Integrity, Value Creation, Excellence and DRIVE. Developed by our employees, these values encourage us to take pride and satisfaction in our work, achieve our goals, and push for outstanding results.



Diversity of thought, skills and global capabilities



Respect for people, communities and the environment



Integrity and determination to build a better future



Value Creation for our shareholders



Excellence in everything we do



Drive and ambition to achieve our goals

ESG strategy

Sustainability is our operating framework

Our ecological principles inform every aspect of our business

As a leading renewable energy company, Cubico's day-to-day business is inextricably linked to the global transition to net-zero carbon.

Our ecological principles inform every aspect of our business. Whether we're producing energy, consuming resources, interacting with the land and communities in which we operate, striving to offer rewarding careers to our employees, or showing up as a strategic business partner, we are driven to create long-term value.

Our corporate framework allows for significant control over the development, construction and operation of an asset.

We acquire projects at any lifecycle stage, and we have built the necessary in-house capabilities and insights—including financial, legal, operational and technical—to select and manage the projects to drive our growth in accordance with our values. This includes managing and monitoring performance related to ESG factors such as energy use and emissions, health and safety, and water and waste management.

In 2022, we made significant advancements in how we both identify investment opportunities and prepare for increasingly stringent regulations around environmental disclosures. Improving our approach to collecting data and expanding our reporting systems enabled us to obtain more, and more useful, environmental data.



La Peña wind farm in Castilla y Leon, Spain



Materiality analysis

Double materiality

In 2022, we updated our materiality matrix to determine the most material issues for Cubico. Led by our ESG Committee, which is made up of a diverse range of employees, the process was detailed and involved a number of stakeholders from across our business.

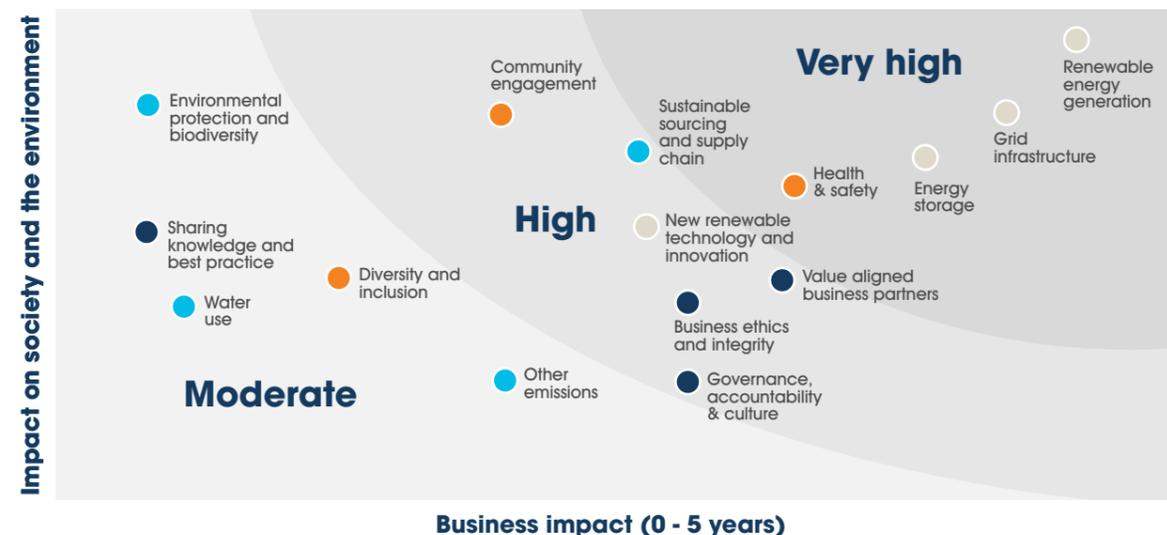
As our materiality matrix shows, Cubico's approach to identifying and managing ESG risks and opportunities is based on the concept of "double materiality." This means we assessed not only how our business

impacts society and the environment, but also how society and the environment impact our business. In other words, we considered what is material to us, and what is material to society and the environment.

There are multiple impacts to be considered with regard to society and the environment, and the double materiality approach allows us to strategically home in on the focus areas that are most important to our stakeholders.

Our ESG focus areas and priorities

Focus areas: ● Environmental ● Social ● Governance ● Technology/generation



Mapping our risk



As part of our ESG materiality analysis process, we also identified and analysed multiple risks in five broad areas: strategy, operations, finance, digital technology, and governance and compliance.

Many of the individual risks we identified in each area are not unique to Cubico or the renewable energy sector. They represent megatrends that are influencing how we and others do business and approach ESG.

In many cases, these risks (and their corresponding opportunities) are connected; they overlap and/or

interact with one another in a complex, interconnected web. For example, it is impossible to assess the political and regulatory environment in which we operate (under strategy) without also considering our legal compliance requirements (under governance and compliance).

Mapping our risk in this way not only allows us to properly assess the impact of various risks, it also highlights the importance of forging meaningful collaborations and multi-lateral partnerships—clearly, no one company or sector holds the keys to unlocking the climate change crisis.



Environment

We are part of the climate change solution

We are guided by best-in-class policies, processes and practices

We are always looking at ways to improve our environmental performance, whether it be through reducing our emissions and water use or protecting biodiversity in the areas where we operate. Taking accountability for our impact and ensuring that we have the systems in place to grow sustainably are therefore essential.

Our approach to managing environmental performance is guided by our Environmental and Social Policy. This policy describes specific environmental objectives and covers compliance with the Equator Principles, a risk management framework for financial investments that provides minimum standards for identifying and monitoring environmental risks.

Augmenting this policy is our internal Environmental Management System (EMS) which is part of our broader Integrated Management System (IMS). The EMS is a set of processes and practices that enable us to reduce our environmental impacts while increasing operating efficiency. It outlines specific operating requirements for material factors like water quality and chemical storage.

Before seeking planning permission from the relevant regulator for a prospective

venture, we conduct an independent assessment of potential environmental and social impacts. This pre-assessment allows us to quickly uncover substantive concerns and propose ways to mitigate any potential challenges. We also regularly monitor ESG issues to ensure we meet imposed planning conditions.

We understand that sustainability is not restricted to the environment and that our efforts must be reinforced by other relevant policies and guidelines. Thus, our Health and Safety Policy, Anti-bribery and Corruption Policy, Code of Conduct, Supplier Code of Conduct, Business Partner Vetting Guidelines, and Company Handbook work hand-in-hand with our Environmental and Social Policy.

Our dedicated Health, Safety and Environment (HSE) department exercises extensive oversight of environmental and social risks. Our HSE specialists help ensure compliance with both local legal requirements and internal policies and procedures—they are a key resource for the inception and delivery of environmental improvement initiatives.

TAKING ACCOUNTABILITY FOR OUR IMPACT AND ENSURING THAT WE HAVE THE SYSTEMS IN PLACE TO GROW SUSTAINABLY IS ESSENTIAL.

Our Hadlow solar farm in the UK



How we work with data

We take our responsibility to monitor ecological impacts seriously. But identifying opportunities for improvement requires good data.

Our HSE team uses our ever-expanding data management system to constantly monitor environmental metrics related to greenhouse gas (GHG) emissions, waste generation, and water and fuel consumption. This allows us to track the impact of our overall operations as well as emissions avoided from our renewable energy generation.

Our data tracking system is invaluable as we work collectively to slow climate change.

In preparing this report, we used internal audit resources to review our environmental data collection and verification systems. We want to show that we are tracking the material factors effectively so that our efforts to improve performance can be clearly demonstrated. Key recommendations from that audit include the need to develop and document a more formal process, define responsibilities with greater clarity, and maintain the independence of the review process.

Performance

Energy generation:



2022



2021

7,042 GWh

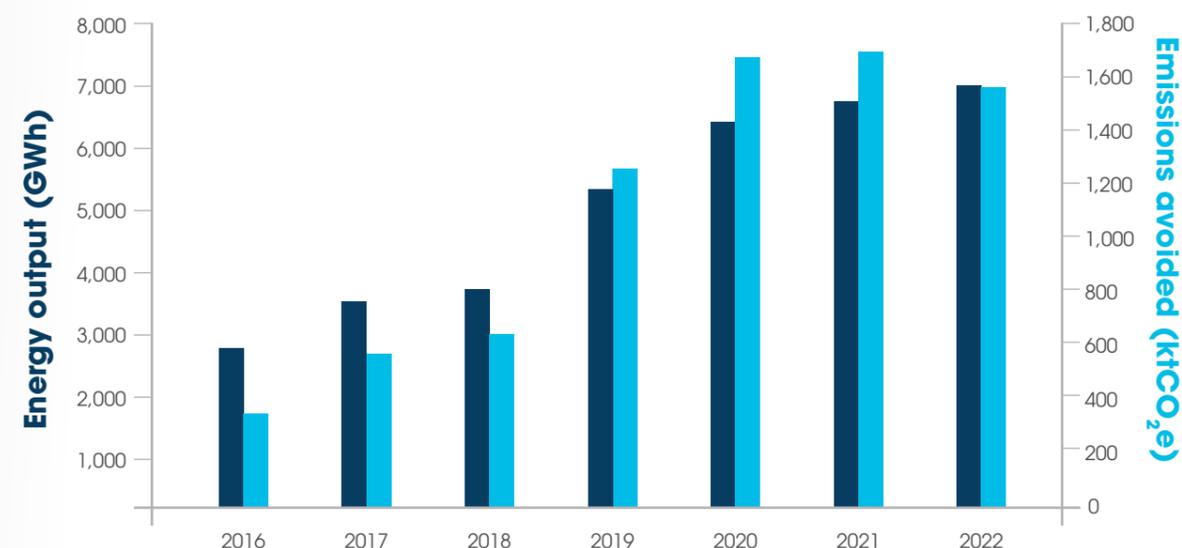


6,889 GWh

Emissions avoided:

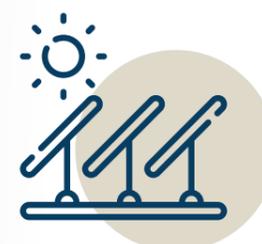
1.6M tCO₂e

As electricity grids decarbonise and renewables become the primary source of additional grid capacity, emissions avoided will likely decrease relative to our growth in energy generation. We are proud to contribute to this low-carbon transition.



Energy consumed:

104 GWh of energy consumed with 54% of that from renewable sources



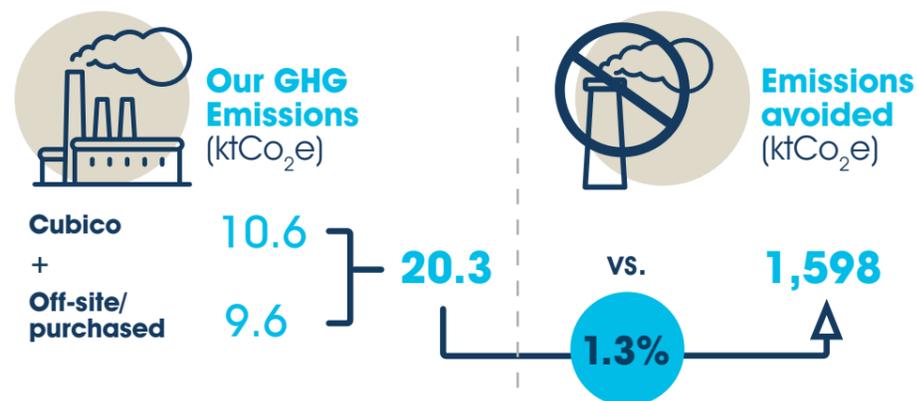
The energy we consume in our facilities is minimal compared to the energy we generate. In most of our facilities, we consume a mix of purchased electricity and electricity generated by our renewable assets. We continue to explore options for increasing the percentage of renewable energy used for our operations.



Our Mezquite wind farm in Mexico is home to an incredible variety of wildlife

Emissions:

Scope 1 and 2 represent less than 1.3% of our emissions avoided



Water consumption:

2.2 billion litres



Almost all of our water consumption is related to our concentrated solar power (CSP) facilities. CSP facilities use groundwater and surface water to power steam turbines and condense steam back into water. Consumption at these facilities is restricted by regulatory limits which are set with sustainability and the needs of other users in mind. We monitor consumption to ensure we do not exceed those limits.

Waste management:

4,077 tonnes of non-hazardous waste

3,276 tonnes of hazardous waste

When larger components fail, we often have a substitution arrangement in place with our maintenance providers. When a failed component is taken off site to be repaired or refurbished, we accept a reconditioned component in its place.



The Morón CSP project

Spotlight Spain:

Building on high impact initiatives

Global conversations around water usage and security continue with increasing urgency after millions were affected by climate-related disasters such as extreme heatwaves, severe drought and heavy flooding in 2022.

As Cubico works towards mitigating the impacts of climate change through clean energy generation, we must therefore also take responsibility for the environmental impacts of our operations, including our own water use.

More than 99% of our water consumption relates to our five concentrated solar power (CSP) assets in Spain, which have a combined capacity of 250 MW.

Over the last two years we have been running a programme to improve water management practices at these projects.

This work started in 2021, when we partnered with SGS—the world’s leading testing, inspection and certification company—to assess the water footprint of our Arenales CSP plant in Seville.

In 2022, we expanded the programme to include our Morón and Olivenza projects in Seville and Badajoz respectively.

The comprehensive analysis of water usage and management systems confirmed that all three projects are meeting the requirements of the Water Footprint Network and the ISO 14046 standard, a prominent methodology for calculating and reporting water footprint.

As a result of this process, we have been able to put several initiatives in place to reduce evaporation at each of the plants, with further actions planned at Morón and Olivenza.

In addition, we gained plenty of valuable information which will allow us to further reduce our water footprint and set better efficiency goals moving forward.

Given the success of the programme, we have put steps in place to complete the measurement and certification of the water footprint at Andasol, our remaining CSP project, in the near future.



Our Torchiarolo project

Social

Spotlight Italy:

Excellence in photovoltaic performance

Last year, Cubico revamped two photovoltaic projects in Apulia, Italy—our 8 MW Torchiarolo and 7.5 MW Manduria projects—to optimise their operational and financial performance.

Through a “repowering plan,” underperforming fixed-structure photovoltaic modules at both projects were replaced with new monocrystalline PV modules and single-axis trackers. In both cases, energy production increased by 15%.

Not only that, all the old modules were recycled. Rather than going straight to landfill, the old modules were collected by the supplier and given a second life as components in new solar modules and other products.

With our commitment to excellence and continuous improvement always top of mind, our asset management team was delighted to be able to implement the repowering plan at these projects.

	Torchiarolo	Manduria
Energy production	↑ 15%	↑ 15%
Modules removed and recycled	102,551	94,923
Modules installed	14,816	13,888
Technicians employed	40	35
Person hours	28,000	25,000
Lost time injuries	0	0



Senior team members carrying out a safety walk in Italy



Looking after our people and local communities

THE WELLBEING OF OUR EMPLOYEES IS CRITICAL TO THEIR HAPPINESS AND FULFILMENT IN AND OUTSIDE OF WORK, TO THE WORK THEY DO AS TEAMS, AND TO THE SUCCESS OF OUR COMPANY AS A WHOLE.

We aim to make a positive impact on all stakeholders

Health and safety is paramount

At Cubico, we take our responsibility to ensure the health and safety of everyone in our community seriously. This includes not only our own employees, but also contractors and others working at our sites, as well as those living in the communities local to our projects.

Our approach to health and safety is governed by our company-wide Health & Safety Policy. We also prepare an annual company Health, Safety and Environment (HSE) plan and regional HSE plans for each country.

Before any contractor or member of the public enters a Cubico site, they must undergo a site induction which covers HSE matters.

Moreover, all contractors undergo Know Your Client (KYC) vetting. Contractors must also adhere to our Supplier Code of Conduct which covers HSE, anti-bribery and modern slavery. In some regions, we have also held Contractor Safety Days where we share knowledge and best practices to support continual improvement in health and safety performance.

Our corporate objectives include performance targets for health and safety, and all staff are encouraged to adopt specific personal health and safety goals. Our target of "zero harm" applies to all our business activities.

HSE data is reported to the board and investors through the Health and Safety Board Sub-committee. This reporting includes a summary of any incidents as well as steps taken to avoid or alleviate the impact of similar incidents in the future.

In 2022, we recorded 17 lost time injuries globally. This included one employee and sixteen contractors. Since the majority of these injuries (14) occurred in our construction activities in Colombia, we have developed improvement plans with our joint venture partner there. Thankfully, none of the injuries had life-changing consequences, although each one prevented the employee from completing their normal work on the next shift. Each worker received appropriate medical attention and support, and each made a full recovery and returned to work.

Lost time injuries:



Employees who lost time due to injury: **1**

Contractors who lost time due to injury: **16**

LTIFR (per 100,000 hours worked)	2018	2019	2020	2021	2022
Employees and contractors at site	0.53	0.11	0.49	0.25	0.37

Employee wellbeing means best selves and better teams

The wellbeing of our employees is critical to their happiness and fulfilment in and outside of work, to the work they do as teams, and to the success of our company as a whole.

Our annual Employee Engagement Survey allows us to gauge how well we are serving our employees. Based on employee feedback from our 2021 Employee Engagement Survey, we implemented a number of initiatives, including mindfulness art sessions and dedicated career development sessions to help guide colleagues to the tools and support available to grow in the company.

In 2022, we continued to support employee wellbeing through our global Employee Assistance Programme and access to the Calm meditation app.

To invest in our employees' development, we offered our bespoke coaching programme for managers and expanded our internal mentoring programme. Investing in the development of our employees enabled 15% of our vacancies to be filled by internal applicants.

In addition, a global company offsite, which brought together around 200 employees, created a unique opportunity for international colleagues to meet in person, socialise, and develop more holistic relationships.

Diversity is the foundation of our core values

As the first of our six corporate values, diversity heavily influences the focus and activities of our global people agenda. We are committed to achieving representation from diverse communities in every aspect of our business.

The Cubico Diversity Network (CDN) is an employee-led group created in 2020 to develop diversity and inclusion initiatives in five core areas: disability, gender, race, sexuality and socio-economic status.

In 2022, the CDN organised and championed several diversity initiatives, including:

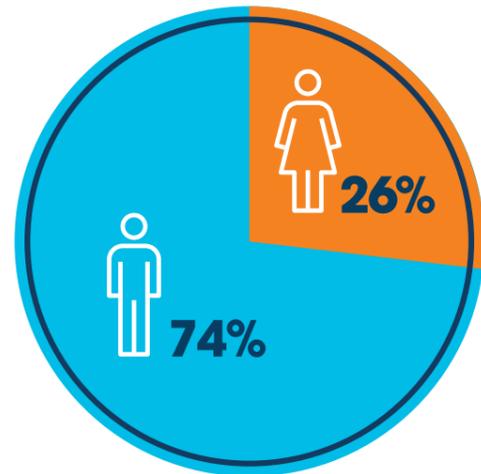
- a video to celebrate International's Women's Day. The video featured our employees sharing ideas on how to #BreakTheBias of gender and other forms of discrimination.
- celebrations for Black History Month, including Afro-Caribbean lunches across different offices and information on the historical contributions black people have made to society.
- sharing guidance with all employees on how to better support people with disabilities to mark International Day of Disability.
- a powerful talk by Olympic gold medallist Matthew Mitcham to mark LGBTQ+ Pride Month. In addition to his presentation, Matthew facilitated conversations on how to create more inclusive work environments.

These and other initiatives often sparked open and robust dialogue throughout the company, a testament to the culture we are striving to foster.

The CDN also partnered with the UK-based Social Mobility Foundation to explore how to improve social mobility. This resulted in a mentoring programme which allows Cubico employees to mentor young students from low-income backgrounds to spark professional interests and improve the students' understanding of different career pathways.

Our workforce:

Gender breakdown



As of **2022**

one third of board members are women

26% of female employees have line management responsibility

We strive to create positive change in our local communities

Cubico prioritises building long-term relationships with all stakeholders. From major energy off-takers to the farmer who will work with us for over 30 years, our stakeholders value the security of the long-term relationships that are key to our approach.

Through our global corporate social responsibility (CSR) programme, we have continued to support educational, social and economic initiatives which drive sustainable development and create positive change in our local communities. In 2022, we strengthened this commitment by allocating a set percentage of our annual EBITDA to CSR initiatives.

This important work is overseen by our cross-functional ESG Committee, which was also formed in 2022. Led by our General Counsel & Head of Corporate Affairs, the committee is supported by ESG Champions on the ground in each of our countries. Understanding the unique challenges and opportunities faced across our different communities and building strong relationships with like-minded local partners allows us to maximise our impact.

Since our CSR programme started in 2016, we have donated \$8.4 million USD to local projects and charities worldwide.

Fundamentally, we aim to be leaders in creating safer and healthier environments both in the areas where we operate and in the wider global community.

Community investment through our CSR programme:



\$2.1 M USD in 2022

\$8.4 M USD since 2016



Cubico delivered 300 solar kits to the Huichol community in 2022

Spotlight Mexico:

Cubico lights up remote indigenous communities

Thanks to Cubico's recent leadership of the **'Illuminate, Sun for Everyone'** programme, Huichol people living in San Andrés Cohamiata, an isolated indigenous community in the Sierra Madre Occidental mountain range, now have a reliable, environmentally-friendly source of power.

The 'Illuminate, Sun for Everyone' programme is a social initiative created by Asociación Mexicana de Energía Solar (ASOLMEX), or the Mexican Association of Solar Energy, to bring solar-powered lighting to indigenous communities in the country's most remote areas.

Last active in 2019, the programme was relaunched in November 2022 after Cubico assumed leadership and partnered with environmental consultancy Rutas y Raíces to deliver 300 solar kits to the Huichol community. Cubico and Rutas y Raíces had partnered in 2019 to deliver kits to this same community.

These kits, which also charge phones and radios, provide a much-needed boost to the community's health and well-being. Located in the north of Jalisco, a western Mexican state fringing the Pacific Ocean, San Andrés Cohamiata is completely isolated from Mexico's traditional electricity grid. With the solar kits, the community can decrease its reliance on candles and firewood—and

that means a reduced risk of house fires and respiratory disease.

Oswaldo Rance, Cubico's country head in Mexico, is proud of the programme's success so far.

"We are always looking for ways to make a positive impact on society and take care of the basic needs of the communities where we operate.

"We're especially proud to have taken leadership of the programme because it has a real, lasting impact on people's lives and aligns perfectly with our core values," he said.

However, with roughly two million people still living without electricity throughout Mexico, Cubico's contribution is far from complete.

In return for the solar kits, Cubico received gifts of traditional art featuring symbols of Huichol culture. Cubico sold these at an art sale in early 2023. The proceeds are being used to implement other social initiatives in the Huichol community and to spread awareness of the 'Illuminate' programme across the country.

The success of the programme in San Andrés Cohamiata has spurred Cubico to seek partnerships with other value-aligned business partners to deliver more life-changing solar kits to Mexico's isolated indigenous communities.



The Haverhill Foodbank team with their new van

Governance

Spotlight UK:

Tackling food poverty—one foodbank at a time

Last year, Cubico and its UK operational portfolio partner GLIL Infrastructure teamed up to significantly boost the capacity of UK foodbanks to serve their clients.

Between April and October 2022, the two companies donated more than £100,000 to 11 foodbanks and charities local to Cubico’s UK wind and solar projects.

The donations allowed the foodbanks to provide food parcels and make much-needed investments in equipment, tools and other resources.

For example, Haverhill Foodbank near Cubico’s Broxted solar farm in Suffolk used the funds to buy a new van, extending its reach to clients who find it difficult to travel to the foodbank on their own.

Henry Wilson, CEO of Reach Community Projects, which works closely with Haverhill Foodbank said: “This is going to make a massive difference in how Haverhill is able to serve the community in which they

operate, particularly as more people are needing more help.”

Recent government statistics show that six percent of UK residents—over four million people—are living in food poverty.

Elsewhere, Basingstoke Foodbank, which is local to Cubico’s Overton solar farm in Hampshire, used the money to buy fresh and locally-sourced fruits and vegetables. Not only did this provide clients with healthier and more nutritious food options, but it also supported local farmers.

Community engagement initiatives like this are important to Cubico. They reflect our core value of Respect—in particular, our commitment to look beyond economic returns and to respond with compassion and flexibility towards the needs of others. These CSR initiatives also give our employees an opportunity to personally support families and communities in need.



Board in action: board member Chris Ireland, OTPP representative

We deliver sustainable value and long-term success through strong governance

Integrating sustainability and integrity across our organisation

As we scale our business to drive the green energy transition forward, we strive to ensure that sustainability and integrity are systematically integrated into every aspect of our organisation.

Cubico's ESG strategy is overseen by the board which agrees our annual sustainability-linked objectives with senior management and monitors them against KPIs. When setting the sustainability objectives, a key focus is to align them closely with our business objectives and values to ensure buy-in from all levels of the company and deliver maximum impact to the communities and environments in which we operate.

To ensure that business operations, corporate governance and boardroom practices are independently reviewed and benchmarked against global best practices, the board includes three non-executive directors.

Day-to-day delivery of our ESG strategy is the mandate of Cubico's Executive Committee. The Executive Committee manages and

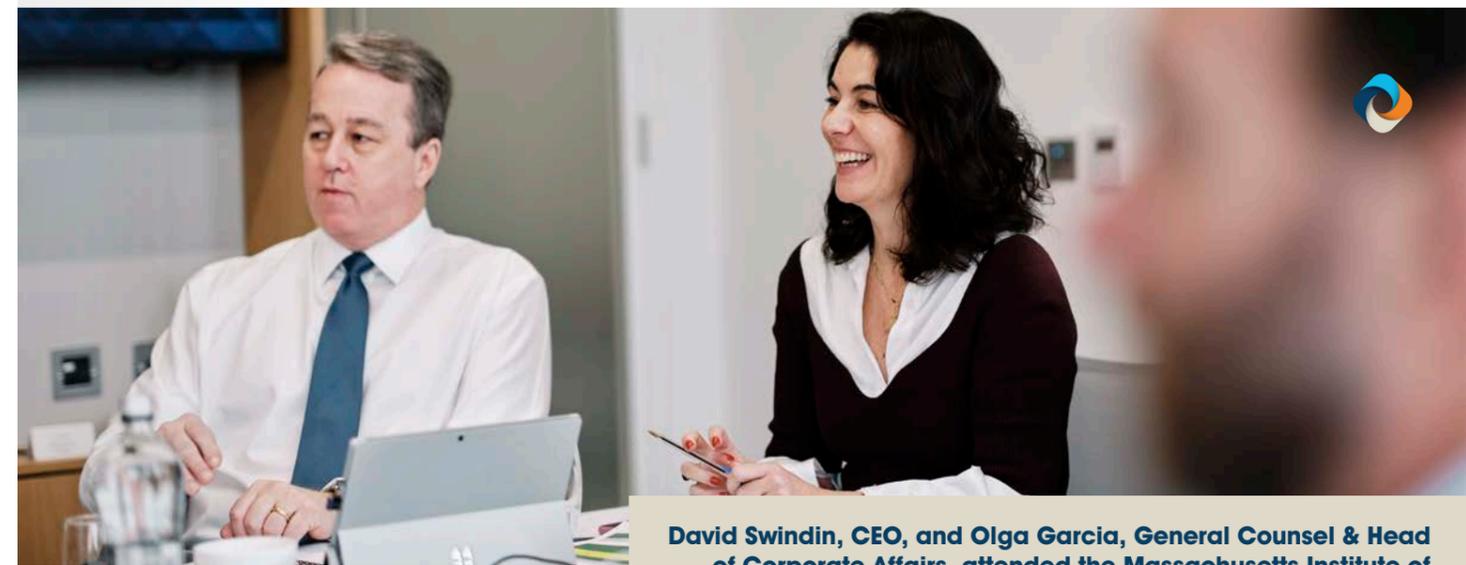
monitors ESG strategy implementation, embedding ESG in our operations, culture and communications. It is also responsible for ensuring Cubico complies with all local and international laws and regulations.

The Executive Committee is supported by the ESG Committee. This committee is chaired by Cubico's General Counsel & Head of Corporate Affairs and includes employees from different business units. The ESG Committee drives Cubico's ESG agenda and comes up with ideas to increase our performance. One of its key roles is to decide how best to allocate Cubico's CSR pledge (a percentage of EBITDA) to ensure maximum impact in the communities and environments we operate in. It is also responsible for making sure that our ESG and CSR initiatives are fully aligned with our strategy, business and values.

ESG performance metrics and initiatives are periodically reported to the board and its sub-committees.

"AN EXCEPTIONAL GOVERNANCE FRAMEWORK IS ESSENTIAL TO CUBICO'S EFFICIENCY, GROWTH AND LONG-TERM SUSTAINABILITY. IT ALLOWS US TO CARRY OUT BETTER RISK ASSESSMENTS, ENSURING THAT WE EFFECTIVELY PROTECT THE COMPANY AND OUR STAKEHOLDERS, AS WELL AS MINIMISING REPUTATIONAL RISK."

Olga Garcia, General Counsel & Head of Corporate Affairs



David Swindin, CEO, and Olga Garcia, General Counsel & Head of Corporate Affairs, attended the Massachusetts Institute of Technology Sustainability Leadership course in 2022

Verifying effectiveness through internal audit

Cubico's Internal Audit function provides independent and objective assurance that our ESG practices are aligned with our objectives and that our systems are effective in assessing and managing ESG-related risks and opportunities.

The role of Internal Audit is to:

- assess ESG policies and procedures to ensure they align with corporate objectives;
- evaluate the effectiveness of environmental management systems, including processes to capture, monitor and decrease carbon emissions and other environmental impacts;
- devise and monitor social impact programmes, including diversity and inclusion initiatives and community engagement activities;
- evaluate governance structures, risk management frameworks and internal controls;
- review ethical compliance programmes and human rights policies;
- monitor compliance with relevant laws and regulations; and
- evaluate the effectiveness of ESG reporting to ensure it is accurate, reliable and compliant with all relevant regulations.

Overall, internal audits help Cubico improve ESG performance and decrease ESG-related risks by identifying gaps in our ESG programmes and providing recommendations for improvement.

Managing risk from the top down

Cubico's first line of defence to manage risk is through the Risk Management Committee, headed by our dedicated Risk Manager. The committee regularly assesses risks applicable to our business including HSE, human resources, political and regulatory, cyber security, climate and ethical compliance. As part of the assessment, the severity and potential impact of the risks are analysed and mitigants and controls are reviewed. The committee reports its findings to the board through the Audit and Risk Sub-Committee.

“WE INVEST AHEAD OF THE CURVE IN GOVERNANCE, OPERATIONS AND PEOPLE BECAUSE IT IS THE RIGHT THING TO DO.”

David Swindin, Chief Executive Officer

Ensuring ethical compliance isn't compromised by growth

The green energy transition impacts multiple stakeholders, and we must ensure that ethical behaviour is not compromised in pursuit of growth. This means only working with companies which run their businesses and supply chains free from bribery, corruption, fraud and forced labour. It also means ensuring those companies are taking appropriate steps to manage risks and mitigate adverse impacts on workers, communities and the natural environment.

A comprehensive ethical compliance programme, managed by Cubico's Compliance Officer, underpins all we do. This helps our employees, business partners and wider stakeholders make the right decisions to ensure that every aspect of our business is working towards the same ambition for the benefit of all stakeholders.

Our compliance policies set the standards we expect from employees and explain our zero tolerance of all forms of unethical behaviour. Employees receive ethical compliance training every year and we periodically provide forced labour training to relevant employees. Additional tailored training is provided when and where required.

Cubico is acutely aware of the ethical compliance risks associated with acquiring development projects. We regularly interact with public officials, third-party developers and wider supply chains. When engaging, we strictly adhere to our policies on ethical business conduct; we work closely with

outside stakeholders and business partners to ensure that they understand and respect ethical standards and reporting mechanisms. In particular, we ensure that our business partners contractually confirm their commitment to our Supplier Code of Conduct.

In 2022, we strengthened the scope of our risk-based “know your customer” (KYC) checks, performing over 125 checks on key business partners. We also conducted compliance audits on key business partners and developers and helped them enhance and streamline their own ethical compliance programmes.

2022 was also marked by ethical compliance risk assessments and audits in our Spanish, Italian and Greek businesses. Our Compliance Officer will expand the scope of these assessments to other jurisdictions in 2023 to ensure appropriate ethical compliance controls are in place and functioning effectively.

Fostering a culture of openness

Cubico is committed to identifying unethical practices in our business and remedying wrongdoing. Employees can report ESG incidents or other concerns directly to Cubico's Compliance team or anonymously through our external, independent whistleblowing hotline. Our whistleblowing hotline is not only promoted widely at all Cubico sites, but also to our business partners. In a 2022 survey, 99% of employees stated that they could report ethical concerns without fear of reprisals.



The Cubico Wind Race achieved Evergreen Level Responsible Sport Certification



Spotlight:

Cubico's shareholders back our ESG initiatives

Our shareholders recognise the value of linking ESG performance to corporate objectives, one of which is to be best-in-class in all three ESG categories. To that end, they support Cubico with the commitment of a percentage of its EBITDA to annual ESG initiatives, mostly CSR projects.

To manage our growing focus on ESG, we have put several governance structures in place. These include establishing an ESG Committee as well as an ESG mailbox which all employees are encouraged to use to make suggestions about our ESG programme, including CSR initiatives.

Chaired by the General Counsel & Head of Corporate Affairs, the ESG Committee draws its members from different business areas to ensure a rich mix of skills, expertise, opinions and ideas. The Committee meets regularly to review employee suggestions, approving those which are closely aligned with our core business of renewable energy and also likely to create the biggest impact.

Highlights of our 2022 initiatives not covered elsewhere in this report include:

- The second edition of la Carrera Del Viento, Sustentabilidad en Movimiento, also known as the Cubico Wind Race, took place at our Mezquite wind farm in Mexico. The goal was to raise awareness

about health and fitness as well as renewable energy and sustainability practices, while helping to improve the quality of education in Mexico. A third edition took place in March 2023, continuing on the success of the previous events.

- Ongoing university scholarships for deserving Colombian and US students. In Colombia, we confirmed an expansion of our scholarship programme, which will allow us to support an additional 25+ students a year from 2023.
- Paid volunteering days for all Cubico employees as both teams and individuals—in 2022, teams in London, Madrid and Milan supported initiatives to protect wildlife and local green spaces.

Cubico invested nearly USD 4 million on ESG initiatives in 2022 with a further USD 65,000 raised through sponsorships by partner companies.

This type of investment not only benefits our people, the environment and the communities where we operate—it also reflects our commitment to good governance, accountability and doing the right thing.

Appendices

Global Reporting Initiative (GRI) Content Index

Statement of Use	Cubico Sustainable Investments has reported the information cited in this GRI content index for the period 1 January – 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About this report Company overview
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	About this report
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	About Cubico
GRI 2: General Disclosures 2021	2-7 Employees	Social – Performance
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Governance
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Governance
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Governance
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Message from CEO
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Social
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double materiality
GRI 3: Material Topics 2021	3-2 List of material topics	Double materiality
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment Social Governance
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environment – Performance



Standard	Disclosure	Location
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Environment – Performance
GRI 303: Water and Effluents 2018	303-5 Water consumption	Environment – Performance
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Spotlight Mexico: Wind and wings
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment – Performance
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Environment – Performance
GRI 306: Waste 2020	306-3 Waste generated	Environment – Performance
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Social
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Social – Performance
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social – Performance
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	Social – Approach, Performance, Spotlights



Cubico Sustainable Investments – TCFD Disclosure

Governance

Board oversight:

Cubico’s Board of Directors and its Committees provide oversight of our strategic approach to sustainability, which include climate-related risks and opportunities, and how we manage climate risks and opportunities.

As a global, renewable energy leader our business strategy is inextricably linked to the low-carbon transition. Cubico considers climate change as an opportunity for our business and as such transition related opportunities are embedded in our business growth objectives, which are reviewed by the Board on a monthly basis.

The following Committees of the Board have oversight of climate-related risks and opportunities related to their specific areas of responsibility:

Health, Safety and Environmental

Committee: Reports on significant environmental and H&S incidents including risks posed from extreme weather incidents.

Audit and Risk Committee: Monitors legal and regulatory risks related to the low-carbon transition across all geographies that may be material to executing our business strategy. These risks are informed by local monitoring of the regulatory environment by our Country Heads and in-house lawyers.

Remuneration Committee: Sets Cubico’s annual corporate objectives, including objectives relating to sustainability and climate related KPIs, such as renewable energy generation, which impact employee compensation.

Board Investment Committee: Reviews all material risks prior to pursuing an investment, which includes material physical and transition risks.

These Committees meet quarterly and feedback climate-related risks and opportunities to the Board. In addition, the Board and its Committees oversee senior management, who are responsible for the execution of the management of sustainability and climate risks and opportunities. This includes oversight over:

- Cubico’s sustainability strategy, which includes climate-related risks and opportunities;
- Monthly operational reports to track progress against renewable energy capacity and generation targets; and
- Cubico’s sustainability performance and progress against strategy, including GHG emissions, on an annual basis.

Significant climate-related events, such as an extreme weather incident that has disrupted operations or changes in regulations that affect business strategy are also raised to the Board on a case-by-case basis.

Management oversight:

Day-to-day delivery of our overall sustainability strategy is the mandate of Cubico’s Executive Committee (comprised of the CEO, CFO, General Counsel & Head of Corporate Affairs, Global Head of Operations and Head of Origination and Development). The Executive Committee is supported by an ESG Committee of employees from different business units and is chaired by Cubico’s General Counsel & Head of Corporate Affairs. The Executive Committee also reviews and approves sustainability related projects aimed at mitigating climate risks or pursuing climate-related opportunities.

Political and regulatory risks are monitored by legal teams in each country. These

teams report risks to Cubico’s global Risk Management Committee which manages legal and regulatory risks across the organisation, including evaluating potential impact of these risks on the business. To bolster risk oversight, we are in the process of appointing risk officers in each country responsible for monitoring risks reflected in our global risk register, including political and regulatory risks.

Physical risks from extreme weather are monitored by Country Heads who proactively report such risks to Cubico’s Global Head of Health, Safety and Environment (HSE). Local site managers are tasked with taking pre-emptive action to prepare sites for extreme weather and assess damage following incidents.

Strategy

Physical risks

With an international portfolio of renewable energy assets, the primary physical risks we are exposed to in the short-term are related to extreme weather, specifically tropical cyclones. Extreme temperatures is an emerging risk that is beginning to affect some regions. Operating in extreme heat can mean plant is operating outside its normal ambient envelope increasing the risk of breakdown and fire, which in turn threatens HS&E at the site. Drought is another risk which increases the threat of wildfire.

Our concentrated solar power plants in Spain are responsible for the majority of our water withdrawal. Water abstraction limits are set by regulatory bodies at these sites, but we acknowledge that water stress may present a risk to these assets in the future.

Going forward, we plan to conduct a physical climate risk assessment across our portfolio to identify the physical climate risks over the short, medium and long-term and the potential impacts to our business.

Transition risks

The low-carbon transition represents a significant opportunity to Cubico. Our growth strategy incorporates several climate-related opportunities such as renewable energy demand, changing regulatory conditions and deployment of newer, more efficient technologies.

We also manage transition related risks relevant for our industry. This includes ongoing investments in equipment refurbishment to keep pace with rapid advancements in solar and wind turbine technology and avoid obsolescence. The older our equipment is the more difficult it is to replace. As we refurbish equipment, we aim to recycle this equipment where possible.

As demand for green electricity grows, we may see an increase in the cost of our equipment or increased wait times for new equipment. We are also dependent on utilities and electricity transmission operators having enough capacity to accept new renewable energy projects. The growth in renewables may present more challenges in securing grid connections to get our energy to market. Energy saturation occurs when there is more renewable energy generation than the electricity grid can offtake and send to customers. To mitigate energy saturation risks we are exploring new battery and storage technology.

Climate-related opportunities

Our three-year business plan takes into account the opportunity for growth in different countries based on changes in how those countries respond to and embrace the low-carbon transition. As part of the development of our plan we evaluate the potential legal and regulatory changes these countries may make and evaluate the relative impact on our business (e.g., the potential impact of subsidies or regulations promoting renewable energy).

We also evaluate the potential growth in market demand and saturation in markets where we operate or are considering entering. We evaluate a range of possibilities as part of this decision making including the relative demand of corporate power purchase agreements (PPA's) versus selling directly to the utility or the state in which we operate.

Finally, as much as possible we aim to use renewable energy for our own electricity use at our facilities thereby reducing our dependence of fossil fuels.

Risk Management

At the group-level, risks are overseen by our Risk Management Committee which manages risks through our corporate Risk Register. The Risk Register is our primary tool to evaluate and manage group-level risks and includes climate-related risks such as extreme weather, political risk, wind and solar availability, operational risks and HSE compliance risks. Risks are reviewed on an ongoing basis and risk rankings may change as risks and opportunities for Cubico shift.

Political and regulatory risks are monitored by legal teams in each country. These teams report risks to the Risk Management Committee.

Physical risks are monitored by Country Heads who are tasked with ongoing monitoring of potential physical risks from extreme weather. Country Heads proactively report extreme weather risks to Cubico's Global Head of Health, Safety and Environment (HSE). In areas prone to physical risks, (e.g., tropical cyclones) site managers are responsible for taking pre-emptive action to prepare sites for extreme weather and assess damage following extreme weather events. All sites have emergency management plans in place to

respond to extreme weather events.

In addition to the processes outlined above, our corporate Crisis Management Plan provides guidance to regions on how to manage and respond to other crises or disruptive events.

Metrics and Targets

The primary metrics we use to track climate-related risks and opportunities are outlined in the below table with the value for 2022.

Metric	2022 value
Scope 1 emissions (tCO ₂ e)	10,642
Scope 2 emissions (tCO ₂ e)	9,647
Emissions avoided (ktCO ₂ e)	1,598
Renewable energy capacity (MW)	5,328
Renewable energy generation (GWh)	7,042

We are currently investigating our scope 3 emissions sources so that we can measure and reduce our scope 3 emissions. Renewable energy capacity and generation targets are set as part of our corporate objectives annually and variable compensation is linked to meeting these targets.

As a renewable energy developer and operator, we set annual installed capacity and energy generation targets. Meeting these targets contribute to the low-carbon transition by providing low-carbon energy to electricity grids.



We are working to support the:

**SUSTAINABLE
DEVELOPMENT
GOALS**

