

advanced power



Advanced Power ESG Report



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Letter From the CEO

The COVID-19 pandemic has shaken the world and reminds us that change is quick, mighty, and often unforeseen. Despite the pandemic and the global shutdown that resulted, we at Advanced Power have met the challenges. The team remained committed and determined, and by focusing on the tasks at hand, despite all obstacles and keeping our day-to-day operations running smoothly, the results are clear - whether it be closing our first solar project, delivering 11.3 million MW hours of clean energy over the past year, or avoiding 5.4 million metric tons of CO2 emissions, we did not skip a beat and have emerged invigorated and stronger.

In many ways, the pandemic has transformed us all. It has reshaped how we do business and reaffirmed that our interests depend significantly on our employees, partners, communities, and the environment. Though change can be intimidating, Advanced Power's continued dedication and flexibility have allowed for success while remaining true to our guiding principles of Safety, Ethics, Environmental Responsibility, Community involvement, and Value Creation.

We continue to seek better ways to a cleaner future by operating our business with solid Environmental, Social and Governance ("ESG") principles. Advanced Power's culture is proudly rooted in ethically sound decision-making, where 'open,' 'honest,' and 'transparent' are keywords we use daily. We understand the inherent value of empowering our employees, encouraging their growth, and ensuring a work environment that is stimulating, friendly, and rewarding. By investing in our employees, we have created opportunities for our partners, suppliers, shareholders, and those same employees to develop a sustainable energy future. Together, we are committed to the rapid reduction of global emissions. We work to make this a reality by displacing inefficient, heavily-emitting power plants with low and zero-carbon generation infrastructure. Our employees' excellence and hard work, the trust we have fostered in our partners, and the relationships we continue to build in this industry are what enable us to thrive.

Undeterred by obstacles of the global pandemic or the challenges of climate change, we continue to move forward, strengthened by our expertise and our determination to match whatever comes our way. This report speaks to our history and our guiding principles.

I appreciate your interest in Advanced Power. I hope that this report provides insight into our culture, our goals, and our experience.



Thomas Spang
Chief Executive Officer

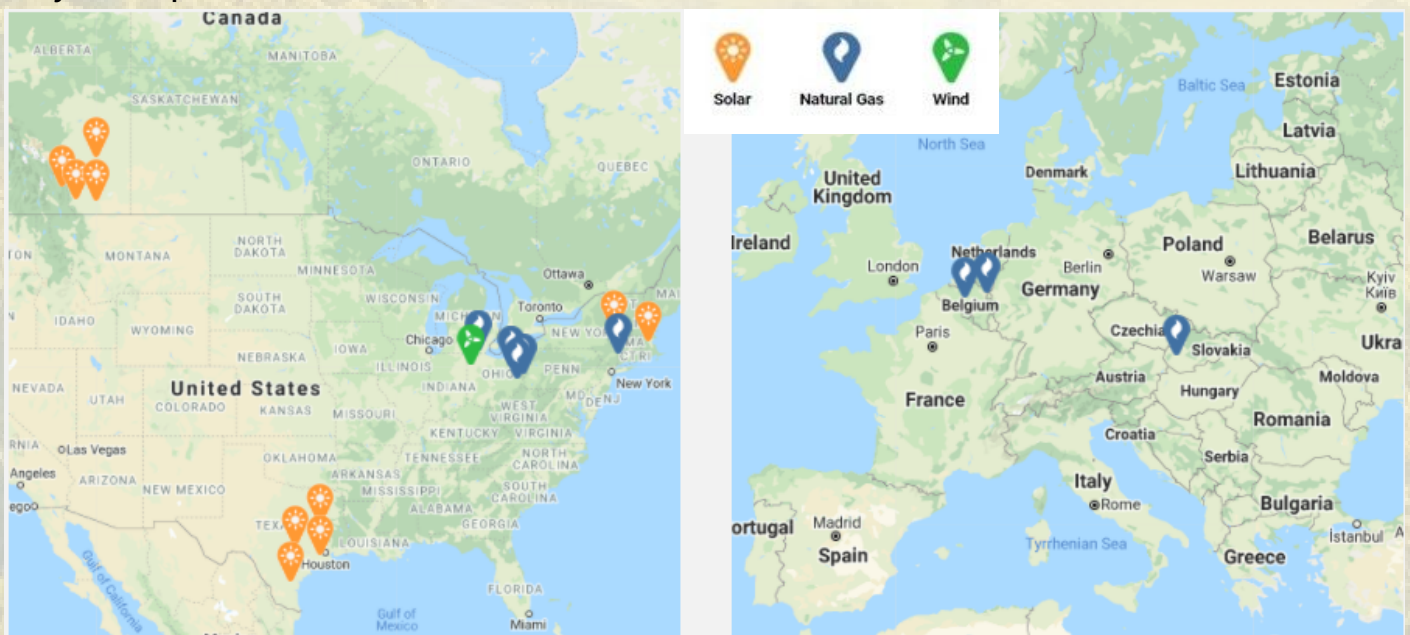
Who We Are

Founded in 2000, Advanced Power is a privately owned company that develops, owns, and manages power generation and related infrastructure projects throughout Europe and North America. We are advancing and rapidly reducing global emissions through development, financial structuring, and asset management expertise. We have a clear vision for cleaner energy, and we seek better ways to have a cleaner future. We are devoted to this vision. To help us achieve these goals, we are committed to these five core values: Environmental Responsibility, Safety, Ethics, Community involvement, and Value creation.



- Environmental Responsibility. We intend to thrive while improving the environment.
- Safety. Ensuring everyone on our team has the necessary tools and skills to do their jobs safely.
- Ethics. We expect all our employees and stakeholders to act with the highest ethical standards.
- Community Involvement. We believe it is our responsibility to enhance the communities we serve.
- Value Creation. Creating opportunities for our partners, suppliers, shareholders, and employees in the creation of a sustainable energy future.

Project Map



Our Expertise

Through our development, financial structuring, and asset management expertise, Advanced Power has set itself apart as a leader in the movement towards more efficient and more sustainable energy solutions, advancing our fundamental goal of rapidly reducing global emissions.

Development

Advanced Power's demonstrated experience is grounded in 7,000 megawatts of projects in development, construction, and operations. With more than 125 years of combined industry experience our development team is focused on advancing a sustainable energy future as leaders in low carbon energy solutions.

Asset Management

Advanced Power manages low carbon energy projects in construction and operation for some of the world's largest institutional and strategic investors. With a pipeline of projects in development and assets under management, Advanced Power maximizes value for its investment partners.

Financial Structuring

Advanced Power partners with the right investors to finance new and acquired energy projects. Advanced Power has raised and invested more than \$5 billion in equity and debt capital.

Our Impact to Date

23,013,285
megawatt
hours of
clean
energy
produced

12,943,721
metric tons
of CO₂
emissions
avoided

2,681,818
equivalent
homes
supplied
with power

A company with demonstrated success and continued growth



ESG Policy

This ESG policy solidifies our commitment to responsible business practices in Environmental Stewardship, Social Responsibility, and Corporate Governance (“ESG”). At Advanced Power, we consistently integrate ESG considerations into every business area, maintaining compliance with all applicable permits and authorizations. These ESG considerations include, but are not limited to:

- Greenhouse gas emissions
- Air Emissions
- Climate Change Risk
- Renewable Energy
- Energy Efficiency
- Water and Waste Management
- Health and Safety
- Community Engagement
- Inclusion and Diversity
- Employee Benefits
- Stakeholder Relations and Engagement
- Board Structure
- Ethical Standards
- Anti-Bribery
- Internal Controls

Strategic principles for ESG integration include a) building ESG considerations into our organization to better inform decision-making; b) engaging in ESG initiatives that add value to our partners, suppliers, employees, and shareholders; and c) being innovative in our pursuit of new technologies to help overcome sustainability and climate change challenges.



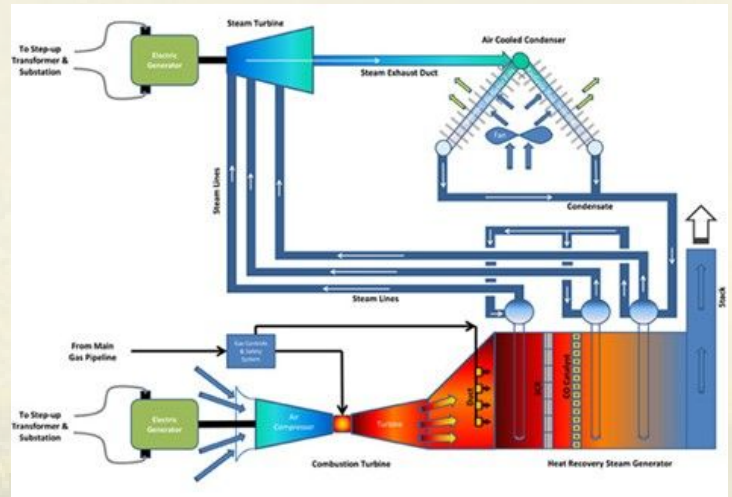
Environmental Responsibility

At Advanced Power, environmental responsibility is essential to our decision-making. We are committed to rapidly reducing global emissions by displacing inefficient, heavily-emitting power plants with low and zero-carbon power infrastructure. Our fundamental goal is to maximize clean energy generation and minimize carbon emissions while also ensuring responsible resource use.

Advanced Power's current portfolio of advanced-stage projects in development includes

- East Light Fund I (100 MWdc PV solar pipeline, Northeast, United States)
- East Light Fund II (350 MWdc PV solar pipeline, Northeast, United States)
- Cutlass II (267 MWdc PV solar, Texas, United States)
- Talitha (177 MWdc PV solar & 40 MW storage, Texas, United States)
- Oriana (250 MWdc PV solar, Texas, United States)
- Hungarian Solar (up to 300 MWdc PV solar pipeline in Hungary)

Our natural gas facilities use modern combined-cycle gas turbine ("CCGT") technology, which is far more efficient and uses less fuel than other types of fossil fuel generation, which results in significantly fewer emissions. Although natural gas is not emissions-free, these facilities produce 40 percent of the carbon dioxide and 90 percent less sulfur dioxide and nitrogen dioxide of an existing conventional coal-fired power plant. Natural gas is a bridge fuel to 100% renewables. It is the fastest way to replace coal-fired power plants, allowing for a structured, reliable transition to renewable power sources like solar, wind, and hydrogen.



Our natural gas electric generating facilities employ innovative technologies that further reduce their impact. At Carroll County Energy ("CCE") and Cricket Valley Energy Center ("CVEC"), we have built these facilities to be zero-liquid discharge ("ZLD") facilities. ZLD is a wastewater treatment process in which all wastewater is either recycled or evaporated, leaving zero liquid waste. This process reduces water utilization and, in turn, reduces our environmental footprint.



In 2021, we successfully closed the financing of our first large-scale solar project in our +1 GW solar development pipeline, Cutlass Solar, a 140 MWdc photovoltaic solar electric generating facility located in Fort Bend County, Texas. Bechtel has begun construction of Cutlass, where Advanced Power is the asset manager. We are delighted to broaden and diversify our asset base by developing and managing renewable power projects, furthering our goal of leading clean energy generation while minimizing our carbon emissions.

We always keep in mind that our actions directly affect the world around us. We consider greenhouse gas emissions, the impacts on local air and water quality, noise, the community, wildlife habitats, and our water usage when developing our facilities. Our plants are equipped with state-of-the-art emissions control technologies, including dry low nitrogen oxide ("NOx") burners and selective catalytic reduction technology to control emissions of NOx and oxidation catalysts to control carbon monoxide and volatile organic compounds emissions. Our continuous emissions monitoring system is utilized to ensure and document facility compliance with applicable emissions standards. We work closely with consultants and environmental agencies to ensure we make informed, environmentally conscious decisions during every step of our development process. We design, oversee construction of, and maintain our facilities in an environmentally responsible way, complying with all applicable laws, regulations, and permits, enabling us to identify ecological risks and ensure we mitigate those risks proactively.

We work with advisory groups and officials to minimize our impacts during development, seeking out reduction opportunities to go beyond compliance and exceed environmental standards.

We participate in the Regional Green House Gas Initiative ("RGGI"), the first mandatory market-based program in the United States to reduce greenhouse gas emissions. This program incentivizes power producers to better control their carbon footprint by selling CO2 allowances in an auction, where the proceeds are then invested in energy efficiency, renewable energy, and other consumer benefit programs. To date, CVEC has purchased 3.1 million tons of RGGI CO2 allowances.

Navigating the challenge of climate change has only stimulated our growth and continually inspires us to find innovative solutions to the problems at hand. The need for change has built our resilience capacity and drives us to be better each day.

5.4 million metric tons of CO2 emissions avoided

Equivalent to 1.2 million passenger vehicles taken off the road for a year¹



11.3 million megawatt hours of clean energy produced

3.1 million RGGI allowances purchased

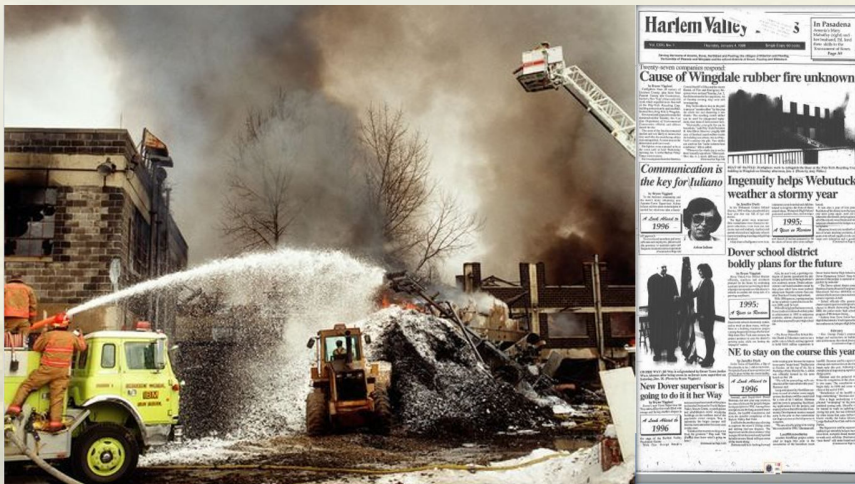
1. EPA (2020) AVERT, U.S. national weighted average CO2 marginal emission rate, year 2019 data. U.S. Environmental Protection Agency, Washington, DC.

Project Highlight

Cricket Valley Energy Center: Land Remediation

The CVEC site has a history of heavy industrial use dating to the 1940s and consisted of numerous abandoned or collapsed industrial buildings and structures, some of which were destroyed by a fire that burned for 10 days in 1996. The project development area, which includes substantial solid waste from historical operations, was identified by Dutchess County as a mica products Critical Environmental Area. As part of the construction, CVEC has remediated the site pursuant to the New York Department of Environmental Conservation ("DEC") approved Remedial Action Workplan. CVEC has worked closely with the Town of Dover and the DEC to restore this site and place it back into productive and tax-paying use. The restoration included the onsite wetlands adjacent to the Great Swamp, a 62,000-acre wetland, one of the largest in NY. A large portion of our land remains undeveloped to ensure the continued protection of the Swamp River Watershed.

The property repurposed existing energy infrastructure, including electric power lines and a natural gas pipeline. The location was chosen to provide an opportunity for economic revitalization, creating jobs and tax revenue for the Town of Dover. The fully permitted facility currently generates approximately 1,100 MW of electricity, enough to power 1 million homes. The 193-acre property is surrounded by a substantial tree buffer that minimizes visual and noise impacts.



CVEC Today

Social Responsibility

Our culture is deeply rooted in our strong business relationships. We are committed to all those that we work with. Whether they be our employees or the communities we serve, people are the backbone of our continued success.

Community involvement has always been a part of how we operate. We continue to do whatever we can to support and improve community resources, maintain a strong volunteer presence, and support science-related education. This is how we build a more sustainable future. We pride ourselves in being good neighbors, and we work to ensure that at each of our project sites, we maintain a positive presence in the communities in which we operate.

It is our commitment to be a reliable source of support to local organizations, where we source local materials, generate tax revenues, and create jobs. Each project creates hundreds of well-paying construction jobs and results in permanent positions for operations, managers, engineers, and experts in safety, health, and the environment.

At each of our project sites, we contribute tax revenue and charitable donations of time and money to help support the community. Despite the difficulties posed by Covid-19, we were able to continue to make a positive contribution to the communities in which we work and operate. Through our projects Payment in Lieu of Taxes ("PILOT") Agreements, we provide significant benefits to the local community. The tax revenue supports local schools, towns, counties, and states. To further our support beyond this program, our site managers and employees continue to have a hands-on approach to make sure we do the right thing in seeking out more ways to help the community.



PILOT and Charitable Donations in 2020

\$5.5 million given back to the community



Community Involvement Highlights of 2020

Carroll County Caring Hands Generator Project



In early April 2020, amid the Covid-19 pandemic, Carroll County Energy was approached by the Carroll County Caring Hands organization to help support a young family who faced extraordinary challenges after their twin boys were born prematurely in November of the previous year. The young couple were given the OK to bring the boys home in the spring, but unfortunately, they could not because they lacked the required backup power for the medical monitoring equipment the boys needed. Carroll County Energy fully funded the backup generator project for the family's home. Once completed, in May, the twins finally arrived home with their delighted parents. Carroll County Energy is grateful for the opportunity to share its resources in helping our community, especially in times of need such as this

Center for the Prevention of Child Abuses' One Too Many 5K

Cricket Valley Energy Center had the honor of participating in the Center for the Prevention of Child Abuses' One Too Many 5K Run. This event normally would have been an in person run but because of the Pandemic things had to change, this 5K event took place virtually. Many employees participated by walking, running, and donating to this important cause. To top off the event, Collin Brown, Advanced Powers Director of Development, won first place with the fastest time of 22.45.



Advanced Powers Director of Development Collin Brown



Dover Volunteer firefighters stopped by CVEC to say thank you and show off their new tools.

J.H. Ketcham Hose Company Donation

This year was tough on the all-volunteer fire department, J.H. Ketcham Hose company of Dover Plains, NY. Their fundraisers, including their most significant, the annual Dover Carnival, was canceled due to the pandemic. Cricket Valley Energy Center (CVEC) heard there was a need and had the firefighters provide a list of tools they needed to help them on their rescues. Once offered, CVEC procured the items. CVEC is honored to support the local fire department and looks forward to a continued relationship with the Hose company.

SFE says thank you to the Wellsville PD and the Highland Town Fire Department

South Field Energy (SFE) was happy to provide lunch to the Wellsville Police Department and dinner to the Highland Town Fire Department expressing gratitude for their service to the local community. The meals were purchased from a local restaurant to further support local businesses.



Serving Lunch and Dinner to the Wellsville Police Department and Highland Town Fire Department



Rose Brace, manager of the Mercy STATCARE Health Center in Carrollton, receives nitrile gloves from CCE

Volunteering at the Center of Compassion Food Bank

The Second Thursday of each month, team members at CVEC gather at the Center of Compassion to help unload and put away food for their food bank. With the Help of Advanced Power, CVEC was able to donate a refrigerator and freezer to replace a unit that had recently broken. The new refrigerator was immediately put to good use. CVEC is proud to partner with the Center of Compassion and look forwards to continuing to help in any way that they can.



Volunteers from CVEC helping to restock the food bank at the Center of Compassion in Dover Plains NY



Mayor Greg Bricker accepts a donation check from Scott Curry, South Field Energy Project Director

South Field Energy Donates to the City of East Liverpool to help with its housing remediation project.

South Field energy was happy to provide a donation to the City of East Liverpool to aid in the effort to rebuild and remediate the land helping The City, Community Improvement Corporation (CIP), and Columbiana County Land Bank get one step closer to their goal to acquire abandoned properties and begin the demolition and remediation of the land, helping to bring East Liverpool back to its former glory.

Cricket Valley Energy Center Scholarship Program

Elizabeth Herena, this year's Cricket Valley Energy Center Scholarship recipient, will be studying Biochemistry at Binghamton University next year. We are thrilled to aid in her financial cost so she can better focus on her studies.



Health and Safety

Safety is a top priority at Advanced Power. We are uncompromising in our commitment to the health and safety of our employees, suppliers, and the communities we serve. Through robust safety protocols, frequent training, and ongoing safety discussions, we make sure everyone has the tools and knowledge to do their jobs safely.

We require individual accountability and expect all employees in our offices and project sites to adhere to our safety standards and actively participate in and support the advancement of our health and safety practices. From our offices to our project sites, safety practices are a principal point of focus by:

- Making Health, Safety, and Environmental awareness a Company value that we live by
- Near-miss, incident reporting and management, and ongoing reviews on safety
- Complying with all relevant health and safety rules and codes
- Providing appropriate information, instruction, and training to all employees and other affected persons
- Promoting health and safety awareness amongst all employees and other affected persons
- Encouraging proactive management of all health and safety issues
- Providing appropriate oversight of contractors doing work at project sites
- Investigate thoroughly any accidents or other significant events related to health and safety
- Regularly monitoring and reviewing health & safety performance.

Safety is engrained in our organization and culture at all levels. At a minimum, all construction and operational incidents (e.g., near miss, injury, and property damage) is reported to the applicable Director of Construction or the Director of

Operations, and all safety alerts are shared across the organization.

Annual Corporate health and safety performance metrics and goals are communicated to all employees, including the number and types of incidents, positive safety stories, and recognition of those individuals and projects contributing to a safer work environment.

We discuss safety first at all our weekly asset management meetings as well as our operations meetings. We constantly aim to keep safety on our minds and have implemented fun ways of talking about safety during these meetings, including safety moments during which employees get to give a short but informative safety talk before moving on to our regular site safety discussion.

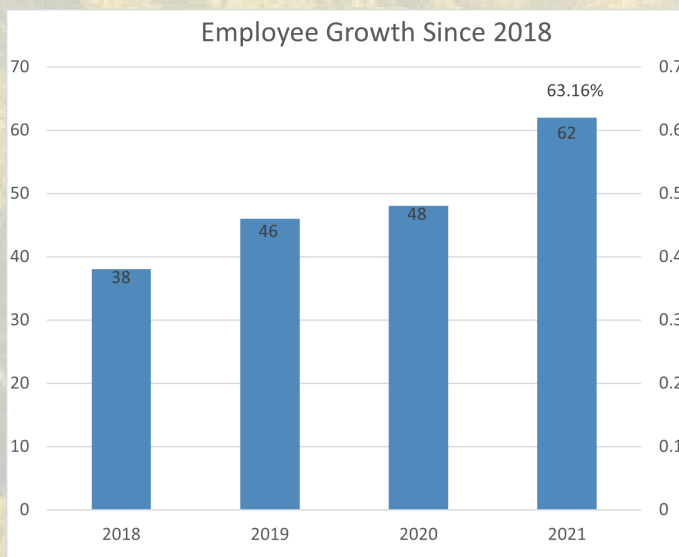
Advanced Power has an all-encompassing Health and Safety Management Policy that covers office, development, construction, and operations.

We conduct an annual review of safety procedures for each of our development project sites. At each of our construction sites, monthly progress reviews are conducted. These reviews discuss health, safety, and environmental performance where safety metrics are reviewed, incidents discussed, and safety actions noted. At operating sites, compliance and risk reviews are conducted and documented by the Operations team on a quarterly basis. These reviews look back at performance over the previous quarter, which helps the Operations team set expectations for the quarter ahead. Our Asset Management team performs quarterly Safety Reviews where safety metrics, incidents, and lessons learned are discussed. Our Board's Safety Sub-Committee reviews safety metrics, incidents, and lessons learned quarterly.

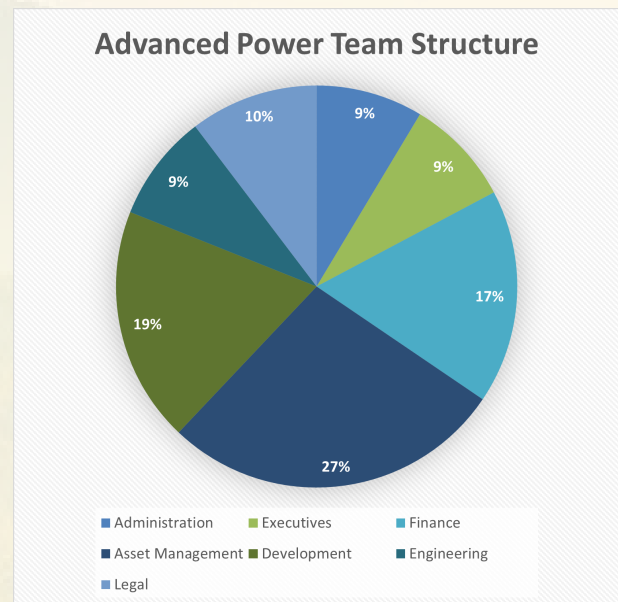
Governance

We have a proven track record of leading projects through development, financial close, construction, and long-term operations, all of which are made possible because of the solid foundation of our corporate governance and oversight. As we continue to grow and build on our sustainability objectives, we believe that strong governance is vital for promoting a company culture of transparency and honesty while ensuring continued value creation supported by ethically sound decision-making.

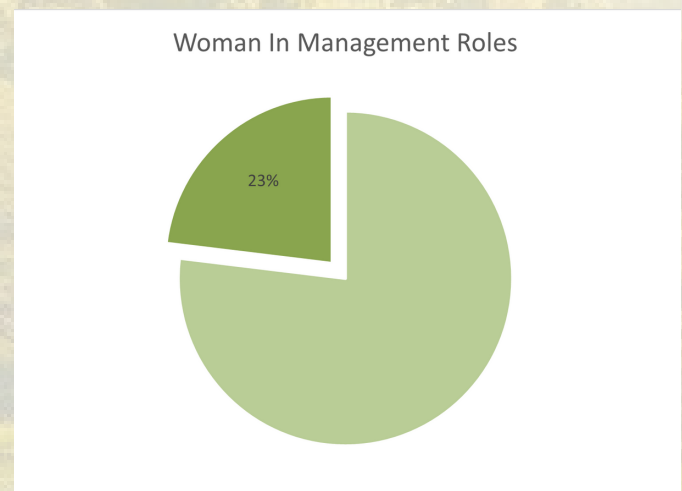
The range of skills and industry knowledge of our Board of Directors has successfully driven the company's ambitious programs of power project development, management, and ownership in North American and Europe. Their guidance has fostered a drive for the managers and employees of Advanced Power to adhere to high business and personal integrity standards. In addition, we look for value-creation opportunities throughout the life of our assets by being entrepreneurial, innovative, and flexible, while looking to create opportunities for our employees by providing competitive benefits and career growth. Value creation is critical to our stakeholders, and we are confident that our well-supported, fully trained, and the competitively compensated team will continue to drive our success.



In the past three years, we have seen a 63% increase in the number of employees at Advanced Power.



It is woven into our company culture to provide equal opportunity among qualified employees to move up and stand as leaders among their peers. As our company has grown, so has our gender diversity where women comprise 23% of our management team.



As ESG continues to evolve, we intend to evolve with it. By operating under best practices, ensuring our governance structures and internal controls are robust, we reinforce our ESG policy. Our internal controls include but are not limited to an in-depth contract approval process with a monitored delegation of authority, monthly and quarterly financial statements to the Board, monthly risk management committee meetings, yearly audits by nationally-recognized auditors, a rigorous invoice approval process as well as cash management monitoring. We strive to improve the quality of our services, products, and operations and try to conduct business honestly and ethically wherever operations are maintained. In our Code of Conduct and Company Policies, we commit to a policy of equal employment for all qualified employees and applicants. We have policies where no political contributions can be made to any candidate for state, federal, or local public office and have set forth rules of conduct that everyone who works for Advanced Power must follow.

We maintain a culture of open communication that keeps our partners and stakeholders thoroughly informed at all levels. Our team holds transparency and integrity as paramount values, helping us to consistently generate value and lasting returns. We are committed to partnering with long-term trusted equity partners that help strengthen our ability to construct and operate our projects. We look to manage risk while enhancing both overall asset quality and long-term investment returns. Our finance expertise helps us successfully structure long-term debt, tax equity, and cash equity investment with blue-chip institutions from around the world. We offer our industry-leading partners the security of an established team with a track record of successfully bringing projects to financial close, through construction, and into long-term operations.



Our Partners



BLACKROCK®

BURNS & MCDONNELL



Idemitsu Kosan Co., Ltd.



Jera



Marubeni

NH-Amundi
Asset Management

PIA Investment Management



SHIKOKU ELECTRIC POWER CO., INC.



SIEMENS



TIAA



FUYO LEASE
GROUP

Final Thoughts

Finally, our achievements have been made possible because of our solid foundation in corporate governance. We are strengthened by our people, encouraged by the adaptability of our employees, ready to face the challenges of climate change, and driven by a culture of being open, honest, and transparent. We have a proven track record of reliability to our stakeholders and partners and we continue to run our business ethically and responsibly. As this is our inaugural ESG report, we look forward to learning and growing as we develop and implement ESG criteria in all areas of our business. We hope that this report has given any interested party true insight into our business practices and company culture, showing how we remain successful in our pursuit of developing, financing, and contributing to the management of the world's sustainable energy sources.



About the Author

Maggie Upham graduated from the University of Massachusetts Amherst in 2017 with a Bachelor of Science in Natural Resources Conservation. After graduating, she volunteered with the Lakes Region Conservation Corp in Holderness, NH where she ran environmental education and outreach programs, participated in invasive species removal and restoration of lands in the Squam Lakes Region. Her experience in conservation work continued with her work as a Field Technician for Mass Wildlife where she gained hands-on experience working for a state-run agency with a mandate for the management of wildlife and habitat preservation. Her work here further influenced her drive to advocate for environmental sustainability and natural resource conservation. She joined Advanced Power in 2019 and has served as the Operations Administrative Assistant. Her background in conservation and her interests in environmental sustainability will help her transition to her new role as an Environmental Health & Safety Associate, where she will further focus on environmental compliance within the company.

