

**ANCALA**  
DELIVERING INFRASTRUCTURE DIFFERENTLY



**ESG REPORT**  
**2024**  
For Institutional Investors

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01

Managing Partner foreword

# POWERING A LOW CARBON FUTURE

Spence Clunie, Managing Partner

Over the past year, the world has witnessed a sequence of climate-related events, underscoring the escalating consequences of climate change. Record-high ocean temperatures, unprecedented flooding and prolonged heatwaves have led to severe droughts and significant agricultural disruption. These developments reinforce the urgency of comprehensive climate adaptation and mitigation strategies.

While the scientific consensus on climate change has only strengthened, climate policy has become increasingly politicised. In some jurisdictions, governments have slowed or reversed key policy commitments, creating uncertainty and volatility in regulatory environments. This geopolitical flip-flopping on climate change policy has in some cases led investors and companies to consider pausing or redirecting their efforts in certain geographies. Yet beneath the noise, the fundamental momentum towards cleaner energy and more efficient energy usage continues. In 2024 alone, global renewable power capacity increased by 585 GW, representing a 15.1% increase on the previous year's total capacity<sup>1</sup>. According to the International Energy Agency, capital flows into renewable energy continue to outpace all other types of energy<sup>2</sup>.

As a responsible investor in critical infrastructure, Ancala recognises the opportunity and the obligation to help drive this transformation. Our capital, operational and strategic expertise enables us to have a significant impact within the critical infrastructure companies we invest in, which in turn powers thriving communities.

## Investing in the energy transition

Our recent investment activity continues to reflect Ancala's long-standing commitment to sustainability and decarbonisation. We have now invested more than €1 billion in companies and projects that contribute to the energy transition. In 2024, we again completed a number of transactions with clear sustainability-linked features:

- Our successful exit from liquefied natural gas terminal, Dragon LNG, followed the implementation of a major decarbonisation programme. This included initiatives such as developing onsite renewable energy to power its operations and brokering leading partnerships to help decarbonise the broader industrial cluster in which the terminal sits.
- We created Germany's largest independent smart metering platform through our investments in Solandeo and Hausheld. These companies are at the forefront of enabling the German government's mandated rollout for smart meters to be installed across the nation and will inform more intelligent and efficient energy usage.
- Our Croatian Biomass Platform completed a bolt-on acquisition which increased the renewable energy generation capacity of the platform.
- Energy-as-a-service provider Noventa acquired three district heating energy sites in Scotland where it will install its industry-leading decarbonising heat solution.



1 - International Renewable Energy Agency: <https://www.irena.org/News/articles/2025/Apr/Renewables-in-2024-5-Key-Facts-Behind-a-Record-Breaking-Year>

2 - International Energy Agency Global Review 2025: <https://www.iea.org/reports/global-energy-review-2025/>

# POWERING A LOW CARBON FUTURE

## Sustainable growth

Ancala's proactive asset management model continues to drive both commercial success and ESG improvements. In 2024, our portfolio companies achieved an average revenue increase of 12% and grew headcount by 5%, significantly outpacing European economic averages. This performance is a testament to our asset management approach and our Industry Partner model, through which former CEOs and Chairs of leading infrastructure businesses bring hands-on guidance to each asset's development plan. We continue to work closely with our portfolio companies, providing resources and expertise needed to execute their business plans.

Ensuring ESG is considered at every stage of the investment lifecycle is fundamental to our approach. Ancala works closely with portfolio companies to improve the breadth and quality of ESG data collection, enabling robust benchmarking and the setting of clear, measurable sustainability objectives. This hands-on, data-led approach strengthens asset resilience, operational efficiency and value creation.

We were pleased to once again achieve top scores in our latest UNPRI assessment, with 5-star ratings across Policy, Governance & Strategy and Infrastructure, and a 4-star rating in Confidence Building Measures. These results reflect the strength and consistency of our ESG integration processes.

## Facing up to sustainability challenges

Climate resilience remains a central theme in our approach. A key element is the detailed climate analysis we undertake across our portfolio to inform climate related risk and, where relevant, improvement plans. We have implemented a new ESG climate change analysis software to help us to analyse climate change for a wide range of risks and opportunities. It will also support with the identification of possible climate adaptation and mitigation measures. These reviews have led to the delivery of climate awareness workshops and sustainability dialogues to further embed best practices across our portfolio companies.

In parallel, we are actively supporting the development and delivery of decarbonisation initiatives across our assets. Notable examples this year include commencing construction of a new solar farm at Liverpool John Lennon Airport, which is expected to power 25% of the airport's electricity needs, and Portsmouth Water installing solar panels at several of its facilities to power pumps and water treatment processes.

Our systematic approach ensures our portfolio is well-positioned for the energy transition. In this report, we showcase some of the transformative sustainability opportunities and developments across our portfolio from expanding smart metering capabilities in Germany, to enhancing renewable power generation across the portfolio.

“Ancala recognises the opportunity and the obligation to help drive the energy transition.”

Our portfolio companies are contributing to the development of solutions which address key sustainability challenges facing society. Ancala's role is to enable and accelerate these efforts, ensuring our investments contribute to a more sustainable, resilient future while creating value for investors.

As we look ahead, we remain committed to acting as a catalyst for positive change; supporting the production of renewable power, the decarbonisation of critical infrastructure, embedding sustainability as a competitive advantage, and working with our partners to deliver enduring value for investors, communities and future generations.

## Spence Clunie

Managing Partner



02

Ancala at a glance

# ANCALA AT A GLANCE

## Ancala



2010

Year Ancala was founded



20

Portfolio companies



55

Employees<sup>4</sup>



3

Offices in UK, USA and Luxembourg



€4.3bn

AUM<sup>3</sup>

## Enabling sustainable improvement<sup>5</sup>



100%

Companies screened for ESG at pre-investment stage



100%

Companies owned for over six months reported on ESG data



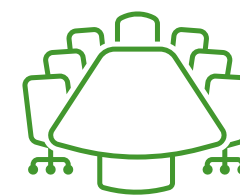
>2,900 GWh

Renewable electricity produced by portfolio companies<sup>6</sup>



100%

Companies owned for over six months completed climate risk analysis



100%

Companies owned for over six months have ESG elevated at board level



>100,000

Million litres of water supplied to clients<sup>6</sup>

## Supporting growth at Ancala



17

Bolt-on acquisitions<sup>3</sup>



>9,000

Jobs provided by Ancala's portfolio companies<sup>7</sup>



5%

Average increase in employees across Ancala's portfolio in 2024<sup>8</sup>



>70%

Average revenue growth across the portfolio since Ancala invested<sup>8</sup>



>45%

Initial investment capital provided on average in follow-on investment to portfolio companies since Ancala invested<sup>8</sup>

3 - Data as at 31 March 2025

4 - Data as of the end of January 2025.

5 - Ancala has recently completed 2 investments. Household in Q3 2024 and Phoenix Rail in Q1 2025. This excludes these two investments. The team is still working with the companies on the implementation of the listed ESG actions.

6 - To maintain consistency between all indicators in this section, the data has not been adjusted to % ownership, in line with the enterprise value including cash method. As at the end of 2024, if it had been adjusted the portfolio companies would have produced >1,100GWh of renewable electricity (slightly higher than last year) and would've supplied more than 50,000 million litres of potable water to their clients.

7 - Data includes Full Time Employees (FTEs) of portfolio companies and other workers being directly sub-contracted by the portfolio companies to work on the premises.

8 - Data as at 31 December 2024

# ANCALA AT A GLANCE

## Croatian Biomass Platform: Enhancing energy security through renewable energy

Ancala's Croatian Biomass Platform was created in 2024 through the combination of a 5MW biomass plant in Gospić, Croatia and a 5MW plant in east Zagreb, named EGP, along with its adjacent drying facility. These sites generate renewable energy from 'low grade' forestry biomass, supporting the Croatian grid baseload and enhancing energy security. Both sites benefit from having long-term feed-in-tariffs and supply agreements in place.

Ancala is actively working with the platform's leadership teams to seek additional acquisition opportunities in the region to further expand the platform.

### Energy Production

The platform's power plants are combined heat and power generation systems, producing both electricity and heat. The plants have an installed combined electricity production capacity of 10MWe and 16MWth<sup>9</sup> for heat. In 2024, the sites produced almost 90,000 MWh of electricity. That's the equivalent of supplying electricity to meet the average demands of more than 20,000 European homes<sup>10</sup>.

The heat produced from combined heat and power process at the site near Zagreb helps dry the wood in the adjacent drying facility. The use of this heat helps to further utilise the energy being produced and therefore increases the plant's efficiency. The site team is exploring opportunities in partnership with a local district heating business to help provide heat to the nearby town.

In addition to providing renewable power for the mains grid and nearby businesses, Gospić has explored utilising self-produced energy on site to power the plant's operations and reduce its GHG emissions. The company has installed an array of photovoltaic panels with a capacity of 270 kW and production of approximately 390,000 kWh per year.

### Sustainability of Biomass

Forests are the most widespread land-based ecosystem in Croatia, covering almost half of Croatia's land with more than 100 forest plant communities. Of the total forest area<sup>11</sup>, around 52% are productive forests, which can be harvested, with the rest being protected forests or forests that primarily serve to protect land, water, settlements, facilities and other property.

Croatia has been a regional pioneer in implementing responsible management practices for forests by having almost three quarters of its total forest area holding Forest Stewardship Council (FSC) certification.

The plants source biomass in line with the woody biomass cascading principle. This requires prioritising the use of woody biomass based on its highest economic and environmental value, for example for construction, manufacturing and carpentry. Over 50% of the plants' biomass supply is deemed 'low grade' wood sourced from the national forests.

Other sources of biomass include waste wood produced in sawmills and 'low grade' wood from other forest related clean-up activities.

In 2025, EGP achieved Sustainable Resources Verification Scheme (SURE) certification, demonstrating compliance with the Renewable Energy Directive (RED) II sustainability criteria<sup>12</sup>. SURE was formed to define the "guidelines" for the sustainable production and use of biogenic resources. It is also used to monitor compliance with these guidelines reliably, transparently and legally by independent third parties. The SURE-EU system can therefore be used to fulfil the sustainability criteria set out in RED II and RED III.



9 - Refers to thermal energy output.

10 - Based on EU average household electricity consumption: <https://www.odyssee-mure.eu/publications/efficiency-by-sector/households/electricity-consumption-dwelling.html>

11 - Forest Stewardship Council Croatia: <https://adria-balkan.fsc.org/en/forests-in-croatia>

12 - As RED III has not yet been transposed by the Croatian Government.



# ANCALA AT A GLANCE



Member/signatories of



Guided by



UNPRI 2024 score

Policy, Governance and Strategy



Infrastructure



Confidence Building Measures



Awards

**IJ Investor Awards 2024**

Fund Performance of the Year:  
Fund I

Oil & Gas Transaction of the Year:  
Dragon LNG Exit

**Infrastructure Investor  
Rising Star 2024**

Tim Power

03

Delivering  
Infrastructure  
Differently



# DELIVERING INFRASTRUCTURE DIFFERENTLY

## Principles and strategy

Ancala has deployed the same consistent strategy since it was founded in 2010. This focuses on investing in assets with traditional infrastructure characteristics and opportunities to add value. Ancala deploys this strategy through its unique entrepreneurial and collaborative approach which delivers results for our investors, the critical infrastructure companies we invest in and the communities they serve.

Our differentiated approach prioritises sourcing bilateral investment opportunities, providing downside protection, inflation-linkage and cash yield, and delivering a bespoke approach to creating sustainable value within our portfolio companies.

In 2024, our proactive approach to value creation led our portfolio companies to grow revenues by an average of 12%<sup>13</sup>, outpacing European economic growth by more than 12 times<sup>14</sup>. Our portfolio firms also increased headcount by an average of 5%<sup>13</sup> during the same period, significantly higher than the EU employment growth average of 0.9%<sup>15</sup>.

### Committed to a more sustainable future

Ancala delivers a differentiated approach to sustainability. We utilise the expertise embedded across our firm and actively work with our portfolio companies to identify and pursue areas where they can deliver the most impact, such as decarbonisation or supporting the wider energy transition.

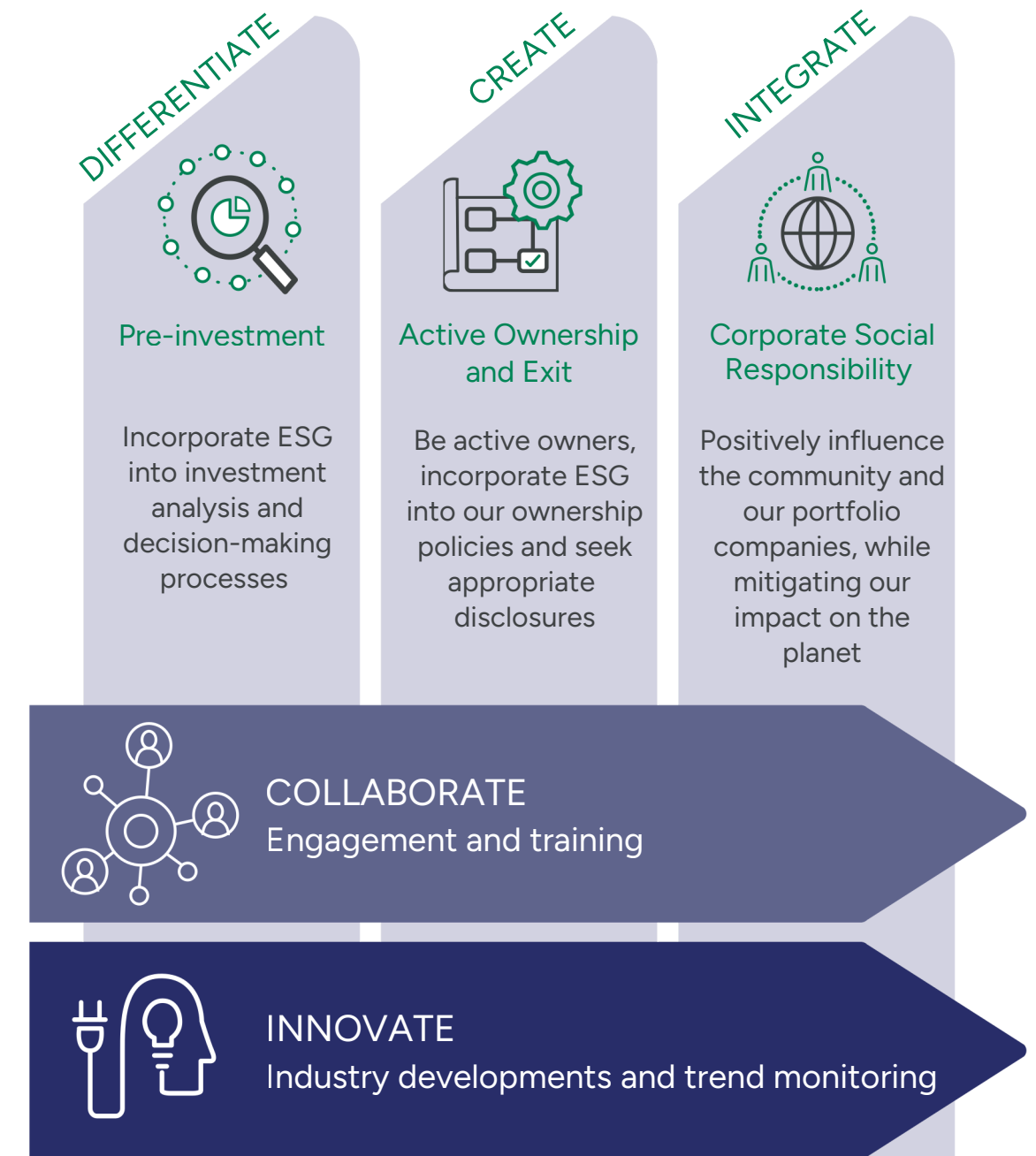
Our proactive approach and application of robust and evidence-based practices to environmental, social and governance (“ESG”) matters throughout the investment cycle, in line with our fiduciary duty, creates value for stakeholders.

Ancala actively incorporates ESG matters at every phase of the investment cycle. We take a consistent approach to assessing ESG risks and opportunities. We develop ESG targets and value creation initiatives of relevance for portfolio companies and projects. To do so, Ancala seeks to deliver on a set of clear ESG objectives based on the principle that effective ESG management begins with ensuring robust governance.

Our ESG framework is implemented across three pillars and two cross sectional areas which aim to deliver our ESG Policy<sup>16</sup> objectives and goals.

Since the regulation came into effect, Ancala has subsequently launched two SFDR Article 8 Funds (Ancala Infrastructure Fund III (‘Fund III’) and Ancala Essential Growth Infrastructure Fund (‘AEGIF’)). In these funds, we have committed to a range of environmental and social characteristics, including reducing greenhouse gas emissions, improving employee safety and well-being, adapting to climate change and implementing robust sustainability monitoring practices. These commitments reflect our ambition to deeply integrate sustainability into our investment framework.

### Ancala’s ESG framework



13 - Ancala data as at 31 December 2024.

14 - European Union GDP growth: <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-14022025-ap>

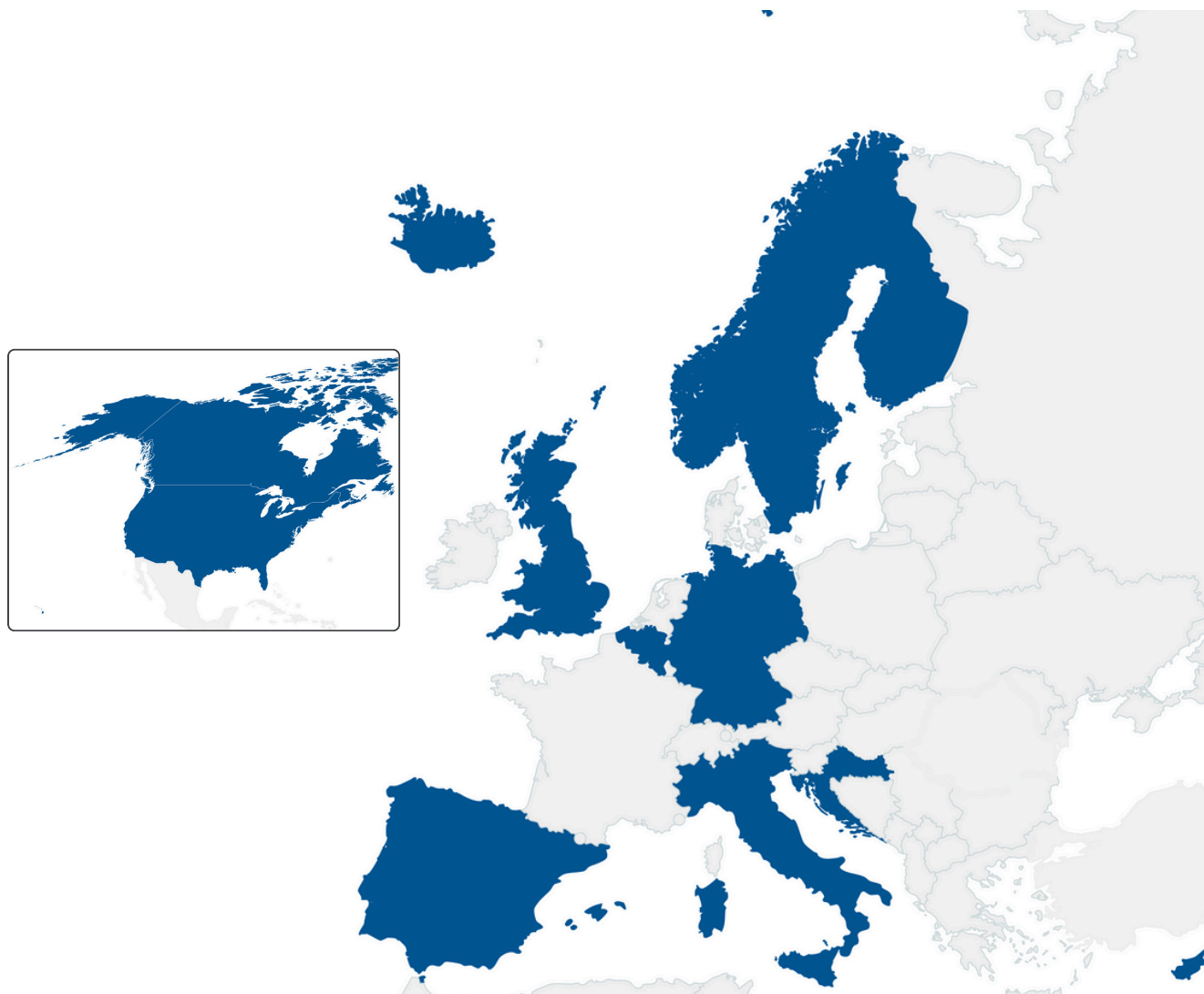
15 - European Union employment statistics: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Employment\\_statistics\\_within\\_national\\_accounts#:~:text=GDP%20and%20employment.,General%20overview,EU%20\(see%20Figure%201\).](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Employment_statistics_within_national_accounts#:~:text=GDP%20and%20employment.,General%20overview,EU%20(see%20Figure%201).)

16 - Ancala ESG Policy: <https://ancala.com/wp-content/uploads/2024/07/Ancala-ESG-Policy-June-2024.pdf>

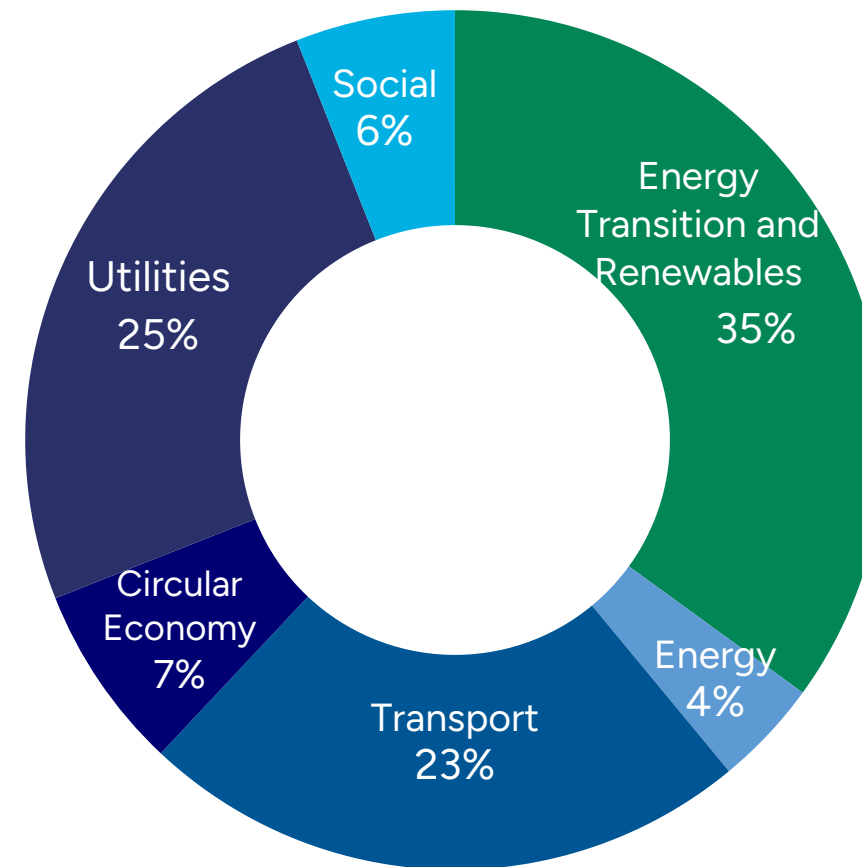
# DELIVERING INFRASTRUCTURE DIFFERENTLY

Portfolio companies at a glance

## Geographic footprint<sup>17</sup>



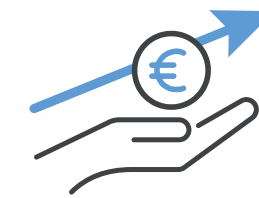
## Industry sectors<sup>17</sup>



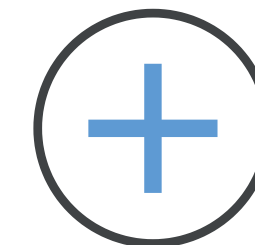
## Driving growth



**>70% average increase** in revenue since Ancala invested<sup>18</sup>



**>45% of initial investment capital provided** on average in follow-on funding to support portfolio growth plans<sup>18</sup>



**17 portfolio bolt-on acquisitions** delivered<sup>17</sup>

<sup>17</sup> - Data as of 30 June 2025.  
<sup>18</sup> - Data as at 31 December 2024

# DELIVERING INFRASTRUCTURE DIFFERENTLY

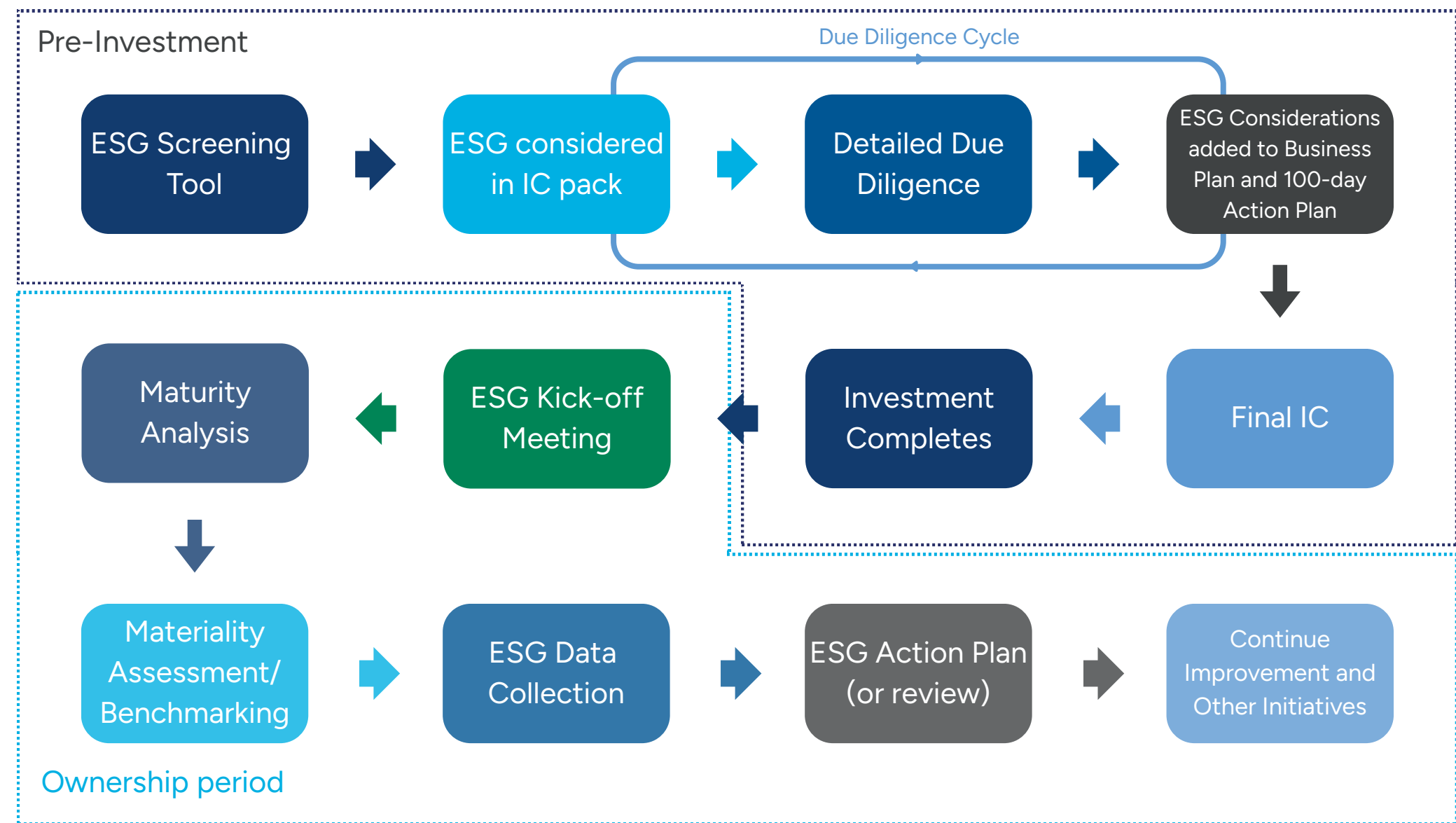
## Investing responsibly

At Pre-investment stage, we deploy our bespoke ESG Screening tool. This enables the identification of material ESG subjects for detailed due diligence. Depending on the level of complexity and materiality, for areas that need to be explored in more detail, Ancala will commission the support of third-party specialist consultants. The team will continue the due diligence process until we are satisfied that all questions have been answered. Any findings are incorporated and reported to the Investment Committee (IC). These are then incorporated into the 100-day plan, where appropriate.

Once the investment is completed, we start the ESG improvement process. Whilst adjustments are made on a case-by-case basis, in general terms, we will kick start with a meeting with the senior leadership team, introducing Ancala's ESG team, our principles, objectives and expectations, whilst the portfolio company will share further information about their own operations, processes and policies.

We require the company to complete Ancala's maturity analysis questionnaire. Using the information collected with the company, at the pre-investment phase, we repeat the materiality assessment and look to further benchmark the business. A set of ESG KPIs is developed and agreed with the portfolio company. Depending on the level of detail available, an ESG Action Plan is developed to provide a roadmap which acts as a guide that can steer the business for up to 24 months. For monitoring purposes, ESG data is collected annually to monitor progress against the plan, as well as a business' overall performance against ESG KPIs. This is a cyclical process which aims for continuous improvement and an enhancement of a company's ESG maturity.

## ESG Implementation Process



# DELIVERING INFRASTRUCTURE DIFFERENTLY

Investing responsibly

## Embedding climate change across the investment lifecycle

Our climate change and biodiversity risk analysis capabilities have been enhanced in 2024 through the adoption of a new digital tool. Compared to the previous tool, the platform allows the team to screen against a greater number of climate-related risks and opportunities, as well as for biodiversity risks. The results the platform produces help to inform questions and checks during the due diligence process. Where required, a more in-depth analysis by a third-party entity will be procured. Results are used as part of the decision-making process and, where relevant, a set of measures is defined for the portfolio company to adopt.

Once an acquisition has completed, the team will model the climate-risks that could affect a portfolio company's operations in more detail and introduce additional information that may have been unavailable before the investment. The tool enables the team to capture a broader range of climate risks through assessing specific points, areas and networks to determine how different risks could present across the business' entire operational footprint. Climate change analysis results are presented to portfolio companies, discussed and adjusted based on collected information.



# DELIVERING INFRASTRUCTURE DIFFERENTLY

## German Smart Metering Portfolio: Enabling Germany's energy transition through smart metering leadership

Digitalising Germany's energy infrastructure will be crucial towards its energy transition objectives. The nation plans to become carbon neutral by 2045. To support this goal, in 2023, the German government mandated widespread smart meter adoption by 2030, aiming to enhance grid efficiency and enable diversified, renewable energy usage.

Against this backdrop, Ancala identified a unique opportunity to support the country's energy transition by creating Germany's largest independent smart metering platform through strategic investments in Solandeo and Hausheld.

### Germany's largest independent smart metering offering

Hausheld AG offers modular smart meter rollout solutions certified by the German Federal Office for Information Security (BSI), primarily serving municipal utilities.

Solandeo leads in the 'prosumer' segment, partnering with major renewable energy providers such as 1KOMMA5°.

Both firms operate under long-term guaranteed contracts. Together, they cover the two largest customer segments in the German smart metering market.

Recognising the regulatory tailwinds, Ancala proactively identified and acquired these two leading smart metering businesses on a bilateral basis. Both companies had secured large contracted order books but required capital and hands-on support to deliver on those commitments and to capture further market share in a rapidly expanding and policy-backed sector.

### Accelerating the smart meter rollout

Since investing in 2024, Ancala's proactive asset management has enabled Solandeo and Hausheld to expand at speed. This includes strengthening their respective leadership teams through key industry hires, refining operational processes to improve efficiency and encouraging knowledge-sharing between the two businesses. These efforts have already resulted in the businesses securing additional contracted orders, expanding their market presence and accelerating the national smart meter rollout.

The combined platform positions Ancala as a key enabler of Germany's smart energy transformation, directly contributing to national climate neutrality goals. Ancala's involvement not only delivers immediate growth and operational improvement for the businesses but also supports a critical component of Germany's broader energy transition.



# DELIVERING INFRASTRUCTURE DIFFERENTLY

## Governance

Ancala is committed to promoting, encouraging and enhancing responsible investment practices.

Ancala's responsible investment approach and the management of ESG matters is overseen by the Management Committee. The Investment Committee approves investments considering risks and mitigants identified in due diligence, including ESG factors, and these are incorporated into business plans.

The Risk Committee is tasked by the Management Committee with managing risk, including ESG related risk, which Ancala, the funds or specific investments Ancala manages, may be or become exposed to.

Ankur Ajmera, Partner, and member of the Management Committee, has overall governance and supervision responsibility over ESG matters. Ankur is also the senior management team sponsor of the ESG Policy and ensures that it is reviewed at least annually.

At Ancala, all members of the team are responsible for applying the ESG Policy throughout the investment lifecycle. ESG-related considerations are included in our performance review process. The team is frequently reviewing and applying the latest guidance and best practices across our portfolio.

Ancala has invested in enhancing our ESG assessment and reporting over the past year through the adoption of new industry-leading ESG software. This allows us to collect and manage ESG data from across the portfolio.

The ESG Working group has now been operating for the last two years. The group comprises meets on a quarterly basis and continues to shape the ESG Policy, our strategy and processes.

**Risk Management Committee**  
(Head of ESG)

**Investment Committee**  
(Head of ESG)



- Ankur Ajmera, Partner, is the **Designated Owner** of Ancala's ESG Policy
- Ancala's **Head of ESG**, Filipa Fonte, is responsible for overseeing all ESG-related activities and practices
- Ancala conducts **regular ESG training** which is **mandatory** for all members of the Ancala team
- Everyone at Ancala is **responsible for the integration of the ESG considerations** into Ancala's business practices and **throughout the investment lifecycle** of its assets



# DELIVERING INFRASTRUCTURE DIFFERENTLY

## Governance

### Policies and Principles

Ancala recognises the significant importance of environmental, social and governance matters throughout the investment life cycle. The firm's ESG Policy was first developed in 2014.

### ESG Data Management

If something is not measured it cannot be managed. ESG data is critical to informing and updating ESG action plans, and for reporting to investors.

This is why Ancala is committed to reporting transparent and high quality ESG data, which we collect directly from our portfolio companies. In 2024, we reviewed, formalised and strengthened our ESG data management processes.

All data reported to Ancala by its portfolio companies is subject to an investigative review. Some of these review processes are embedded in the data reporting platform and automatically flag abnormal data deviations. Others are identified through manual data reviews. Where inconsistencies and/or errors are identified, these are flagged to the respective portfolio company for further analysis and, where relevant, for the company to update.

Ultimately, all data reported to investors is subject to a triple review filter, applied at various seniority levels within Ancala. We continue to work with our portfolio companies to further enhance the quality of ESG data and reporting maturity.



# DELIVERING INFRASTRUCTURE DIFFERENTLY

## Governance

### Annual ESG Assurance

We continue to work with an independent consultant, who undertakes annual assurance of our SFDR Periodic Disclosure for our flagship Fund III.

The consultant conducts a comprehensive review of our ESG processes and procedures, including data management, across different phases of the investment lifecycle. This includes the ESG due diligence process at the pre-investment stage and data collection and aggregation during the ownership period.



FJORD BASE

### Anti-Greenwashing

In May 2024, the FCA put into effect its anti-greenwashing rule. The aim is to prevent misleading sustainability-related claims about financial products and services. It requires all FCA-regulated firms to ensure that any sustainability references in their communications are fair, clear, and not misleading. Communications must also be consistent with the actual sustainability characteristics of a product or service.

In response, Ancala sought the legal services of a third-party entity which conducted a review to ensure Ancala aligned with the anti-greenwashing rule.

The consultant also worked closely with the team on the development of an anti-greenwashing process and a checklist to be used by any team member ahead of any external communications and business-to-business interactions concerning sustainability.

An anti-greenwashing awareness raising session was delivered to everyone at Ancala, followed by online training and regular reminders.

# DELIVERING INFRASTRUCTURE DIFFERENTLY

## UNPRI

At Ancala, we believe that our investments are well placed to support the transition to a net-zero emissions economy and to generate a range of other socioeconomic benefits, such as the provision of and access to care of underserved demographics. Integral to our belief is Ancala's firm commitment to investing responsibly and encouraging the highest standards of business conduct and ESG management of portfolio companies and in its own practices.

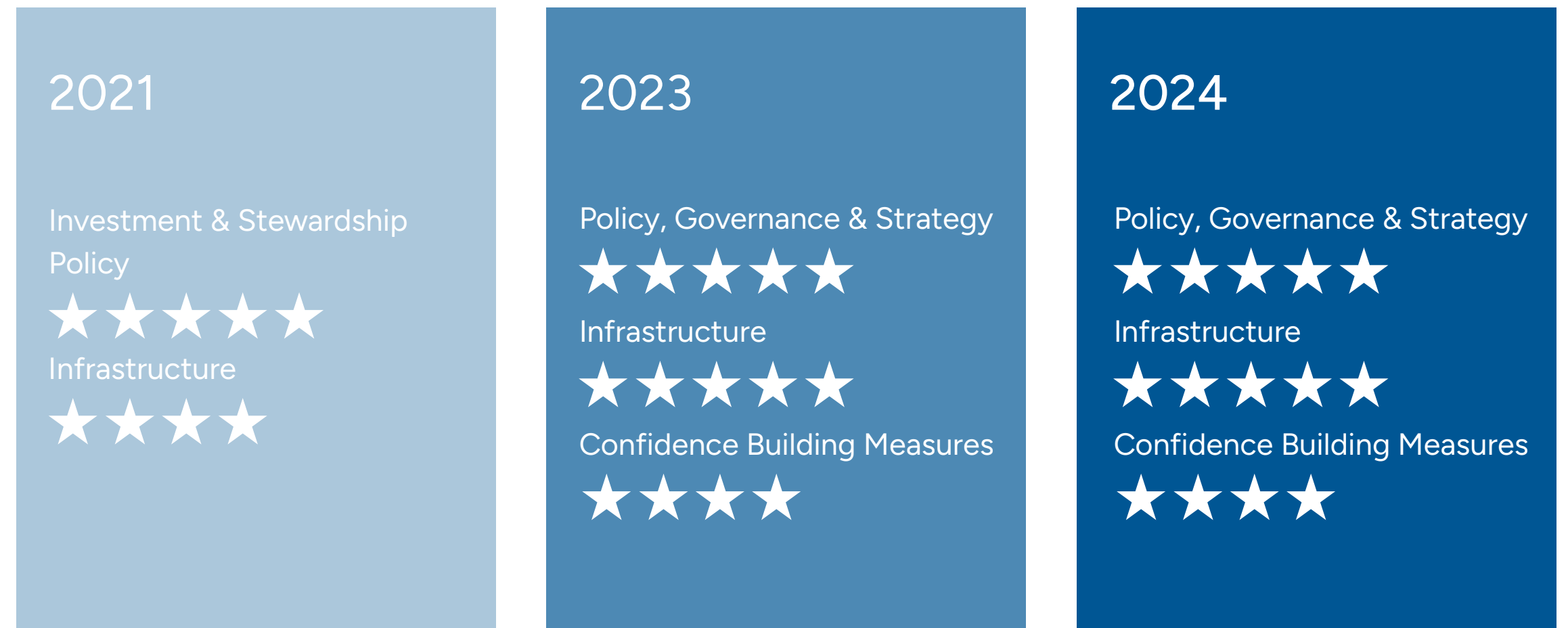
To demonstrate our commitment to responsible investment and to play our part in developing a more sustainable global financial system, Ancala is a signatory to the UN supported Principles for Responsible Investment (PRI) and is committed to its six Principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes
2. We will be active owners and incorporate ESG issues into our ownership policies and practices
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest
4. We will promote acceptance and implementation of the Principles within the investment industry
5. We will work together to enhance our effectiveness in implementing the Principles
6. We will each report on our activities and progress towards implementing the Principles

Ancala has been a signatory of the UNPRI since 2018, which was a natural step for the company as Ancala's first ESG Policy was developed in 2014.

Being a UNPRI signatory and undertaking the annual assessments, has allowed Ancala to continually improve its responsible investment practices and ensure that it is embedded into our investment life-cycle process.

## UNPRI Scores<sup>19</sup>



19 - The UNPRI did not issue assessment scores for the 2022 reporting cycle due to a transition to a new reporting framework. As a result, there is a gap between the 2021 and 2023 score

04  
Our portfolio



# OUR PORTFOLIO

In 2024, Ancala completed new investments, provided significant follow-on funding to support capex projects and bolt-on acquisitions and divested its share in Dragon LNG. The firm worked closely with its portfolio companies to achieve an average 12% increase in revenues during the year. Ancala continues to enhance the ESG capabilities and maturity of its portfolio companies. Please refer to the sections below for information on the companies' ESG performance and some examples of achievements.

## Energy Transition and Renewables



**Biogen**  
Entry: 2017

A leading owner and operator of renewable energy anaerobic digestion and biogas plants



**Croatian Biomass Platform**  
Entry: 2021

A producer of renewable energy from agricultural and forestry biomass in a growing market



**Fjord Base**  
Entry: 2023

Norway's largest supply base. It services major offshore energy and renewable energy companies



**Hausheld AG**  
Entry: 2024

One of the largest independent smart metering operators in Germany



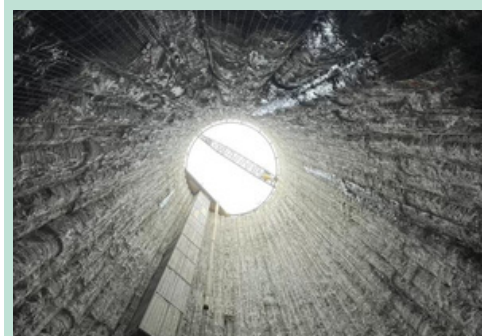
**HS Orka**  
Entry: 2019

Iceland's leading private electricity generator. HS Orka generates renewable electricity from geothermal and hydro energy sources



**Magnon**  
Entry: 2020

Largest generator of renewable energy from agricultural waste and forestry biomass in Spain



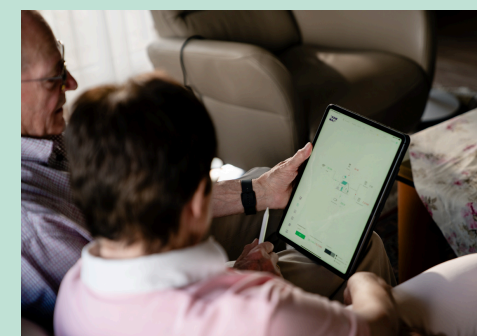
**Noventa**  
Entry: 2023

Leading developer of heating and cooling solutions to buildings using thermal energy from wastewater flowing through the sewers



**Orites**  
Entry: 2020

The largest wind farm in Cyprus. It has an installed renewable electricity generation capacity of 82MW



**Solandeo**  
Entry: 2024

A fast-growing owner and operator of smart meters in Germany

# OUR PORTFOLIO

## Transport



**Avincis**  
Entry: 2023

Europe's largest essential emergency medical, firefighting and search and rescue aviation service provider



**Hector Rail**  
Entry: 2020

The largest private rail freight provider in Sweden, with a presence in Germany, Europe's largest freight market



**Phoenix Rail**  
Entry: 2025

A short line rail and intermodal platform based in the United States



**Liverpool Airport**  
Entry: 2019

Established in 1933, the airport serves over 5m passengers per annum across the North West of England and Wales

## Social



**Ancala Water Services**  
Entry: 2018

A provider of water, wastewater, fire system maintenance and specialist estate management services to the UK Ministry of Defence



**Iris Care Group**  
Entry: 2020

An independent health and social care provider across the South West of England and South Wales

## Utilities



**IEG**  
Entry: 2016

The gas utility provider for around 40,000 domestic, commercial and industrial customers in the Isle of Man, Guernsey and Jersey



**Leep Utilities**  
Entry: 2017

Owner and operator of regulated last-mile utility networks across the UK. The company supplies water, heat and electricity to its clients



**Portsmouth Water**  
Entry: 2018

An industry-leading UK regulated water only company that provides potable water to over 330,000 households

## Circular Economy



**Augean**  
Entry: 2021

Leading UK provider of waste management solutions for highly complex and specialist wastes

## Energy



**SAGE**  
Entry: 2016

Operator of the SAGE and Beryl offshore pipelines and the SAGE gas processing terminal, in Scotland

# OUR PORTFOLIO

Recognised as market leading businesses

Ancala invests in essential infrastructure which provides critical services that support people's lives every day.

We're especially proud of the roles our portfolio companies play in powering homes, connecting people, and supporting more resilient economies. Many of our portfolio companies have been recognised as best-in-class in a range of awards and certifications.

In this section, we highlight and celebrate some of those standout achievements.



**Liverpool John Lennon Airport** has been named the best airport in the UK for customer satisfaction by Which? for two consecutive years, in 2023 and 2024. The airport achieved this recognition after a survey of 4,000 travellers who rated their experiences across various categories.

**HS Orka** won the Ský IT award in the digital public service category for its automated volcanic eruption warning system. The warning system is the first system of its kind in the world and the award is a great recognition and confirmation of the importance of the project. HS Orka also received a Gold rating in the international EcoVadis sustainability assessment, placing the company in the top 5% globally for sustainability practices.



**Augean** was ranked highly by two separate sustainability ratings firms for its approach to sustainability. GRESB commended Augean as a waste management sector leader for its approach to sustainability, while EcoVadis placed the firm in the top 15% globally for sustainability practices.



2025 marked the 20<sup>th</sup> consecutive year **Portsmouth Water** has been awarded a RoSPA (Royal Society for the Prevention of Accidents) Gold, a rare milestone in the field of health and safety.

The RoSPA (Royal Society for the Prevention of Accidents) Health and Safety Awards are among the most respected safety schemes globally. The award recognises Portsmouth Water's excellence in keeping its employees safe. The business has not recorded a RIDDOR-reportable incident for three years.

**Biogen** was awarded 'Contribution to Tackling Net Zero' at the 2025 letsrecycle.com Awards for Excellence in Recycling and Waste Management. The company manages over 500,000 tonnes of waste each year to power more than 65,000 homes with renewable energy.



# OUR PORTFOLIO

## Augean's outstanding commitment to sustainability

Augean provides waste management solutions for highly complex and specialist wastes, including to the renewable energy, infrastructure and construction, nuclear and radioactive, process and manufacturing, and oil and gas sectors.

It owns and operates sites across the UK and provides a wide range of services through its waste treatment, transfer, industrial services, disposal, recovery and recycling capabilities. The business aims to deliver the best environmental outcomes using leading waste management technology.

2024 marked the third year Augean has provided a submission for a GRESB Assessment. GRESB (Global Real Estate Sustainability Benchmark) is a leading global benchmark that assesses and benchmarks the environmental, social, and governance (ESG) performance of real estate and infrastructure assets and portfolios. It provides standardized and validated ESG data to investors and managers, helping them make informed decisions about investments and track sustainability performance.

In 2024, Augean scored 97%, earning it a 5-Star rating and placing it as the 2nd best organisation globally in the Environmental Services: Waste Treatment category.

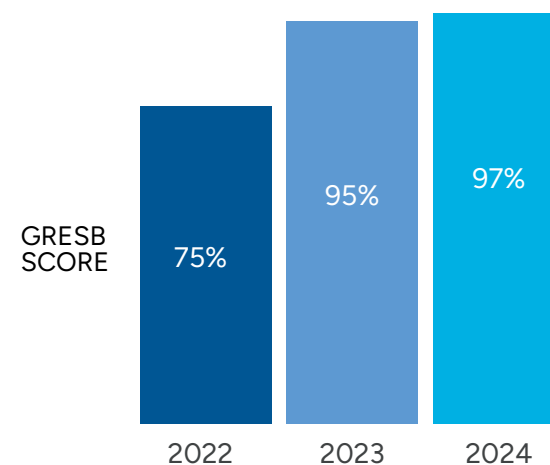


### Recognised as an industry leader

The company has achieved extremely strong results in the health and safety, biodiversity and habitat, waste, air pollution, energy, leadership, reporting, risk management and GHG areas. Minor improvements identified for the policy section, certifications, awards and customers, employees and stakeholder engagement areas.

Augean strives to grow its business sustainably while making a positive impact on society and the environment. The company is committed to transparency, responsibility and creating long-term value for all its stakeholders. This approach has been recognised by the GRESB results.

### Evolution of Augean's GRESB score







05

Our actions and outcomes

# OUR ACTIONS AND OUTCOMES

Ancala's ESG-related stewardship activities occur at both a portfolio company level and at the investment manager level. At Ancala, we continue to monitor our carbon footprint, diversion of non-hazardous waste from landfill, our diversity profile and our contributions to charitable causes.

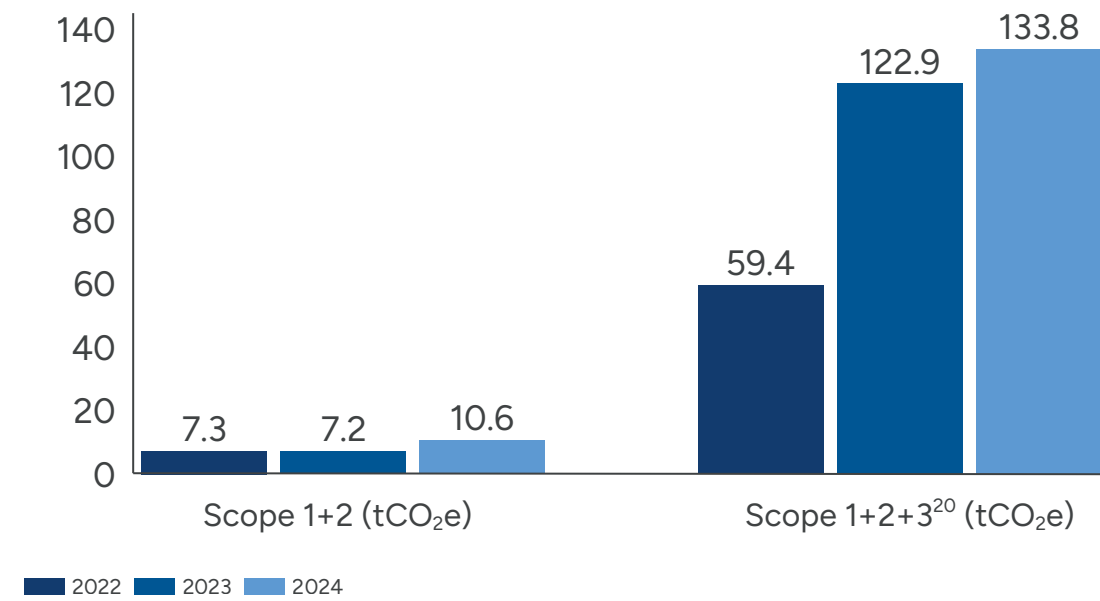
## NATURAL CAPITAL

### Ancala's Carbon Footprint

Ancala has recorded a 25% growth in the number of employees from 2023 to 2024. With the continued expansion of the team, in 2024, Ancala's London office relocated to a new building which has a significantly larger space. Following Ancala's move, we are working closely with the building's management company to understand the energy consumption of the new office. As a result, at this stage, the 2024 Scope 1 and 2 emissions are subject to a medium level of uncertainty and reported on a best effort basis.

The company carbon footprint (per assets under management) has remained constant, even though there is a continuous increase in business travel emissions by employees and a slight increase in electricity consumption.<sup>21</sup>

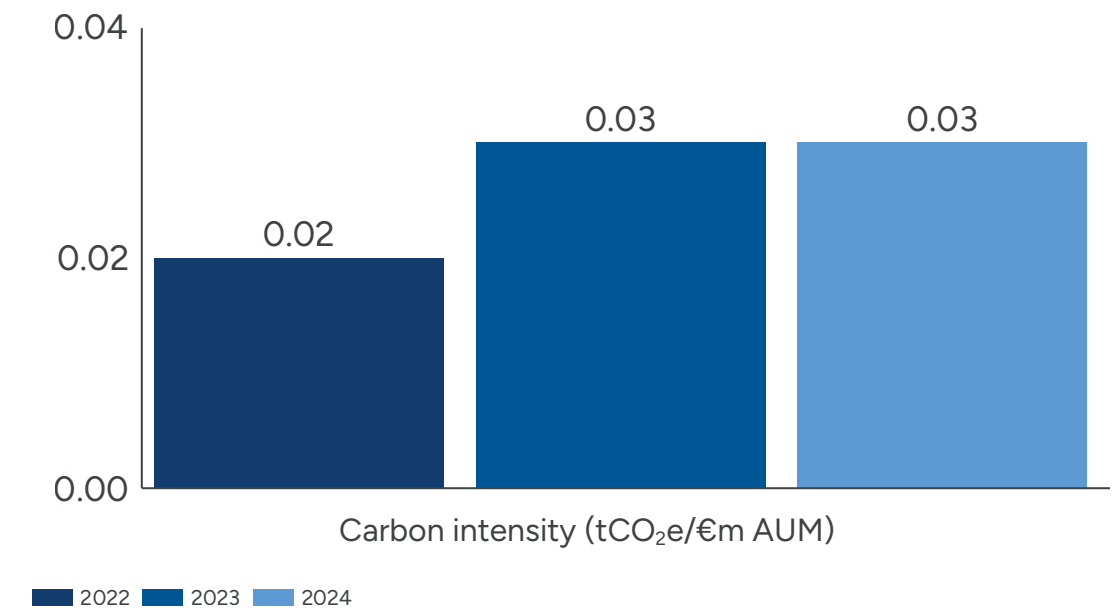
### GHG Emissions



Ancala's total Scope 3 emissions continue to increase, mostly driven by the team's growth and a growing portfolio with a wider geographic reach. Although some advances have been made in mitigating data gaps in the travel data reported, there are still areas that can be improved (medium level of confidence applies). As a result, we expect that these emissions will continue to increase as we continue to look at ways to improve data quality.

Ancala continued to deploy its internal awareness raising campaign to reduce electricity use and increase waste recycling in the office, with all new employees participating in the ESG onboarding session.

### GHG Intensity



### Scope 3 - Financed Emissions<sup>22</sup>

2022	311,946.53 tCO <sub>2</sub> e
2023	215,878.64 tCO <sub>2</sub> e
2024	255,618.19 tCO <sub>2</sub> e

<sup>20</sup> - Please refer to Appendix A for GHG emissions calculation methodology.

<sup>21</sup> - Scope 3 graph includes: travel on behalf of work, employee commuting, T&D loss. Scope 3 graph excludes: electricity consumption in communal areas (as it was not possible access that information), energy consumption in the Luxembourg and New York Offices, GHG emissions from portfolio companies and other minor Scope 3 categories.

<sup>22</sup> - Please refer to footnote 21. The increase in GHG emissions across the portfolio is mainly due to the following reasons: increase in GHG emissions arising from the acquisition of new assets, GHG emissions arising directly from the HS Orka production wells (even though there are ongoing discussions as to what is the methodology that should apply to these calculations, following continued engagement with the Icelandic Authorities, the company does need to report these GHG emissions) and, where applicable across the portfolio, the data reported now includes biogenic emissions from NO<sub>x</sub> and CH<sub>4</sub>, as recommended by the GHG Protocol. If geothermal well emissions from HS Orka were not added in to 2024's financed emissions, it would have been reported as 202,600.30 tCO<sub>2</sub>e.

# OUR ACTIONS AND OUTCOMES

## OUR HUMAN CAPITAL

### Diversity and Inclusion<sup>23</sup>

In 2024, the team has grown circa 25% in comparison to the previous year. The company had 55 employees in January 2025, compared to 44 in January 2024.

No changes have been recorded at the Executive Management level, with 50% identifying themselves with different minority ethnic backgrounds and 33% as female.

The Ancala team diversity profile is relatively unchanged. The company has approximately 31% of employees who identify as female, the same as in the previous year.

Ancala's recorded ethnic diversity has increased by 4% in 2024, in comparison to 2023. More employees now identify as being from a minority ethnic background in comparison to the previous year.

The company continues to have a high number of employees with a diverse cultural background, where almost 50% speak two or more languages at proficient or better levels. A small decrease in the number of different languages spoken at the same levels, has been recorded.

#### International Team

	2023	2024	2025
Nationalities	19	22	25
Languages	20	19	17

#### Gender Diversity

	2023	2024	2025
Female (Company)	32%	31%	31%
Female (Exec Management)	50%	33%	33%

#### Ethnic Diversity

	2023	2024	2025
Ethnic minorities (Company)	19%	21%	24%
Ethnic minorities (Exec Management)	50%	50%	50%

At the end 2024, Ancala hired an HR Director who will be taking responsibility for Ancala's diversity and inclusion policy, fair recruitment practices and continued implementation of the company's recruitment ethos of hiring the best people for the job independent of their race or sexual orientation.

### Annual Employee ESG Training

An ESG Training platform continues to be available to support the upskilling of the Ancala team in a broad range of topics related to ESG. Training is provided to all employees on a quarterly basis, however employees are free to engage with the broad range of training available on the platform as needed.

The platform has thousands of hours' worth of content across a plethora of ESG-related subjects such as climate change, governance, sustainability in supply chains, risk management, diversity and inclusion, wellbeing and mental health, social responsibility sustainable workplace, biodiversity, water management and more. The team can choose from short webinars to pathways that provide accredited CPD credits or more comprehensive courses.

<sup>23</sup> - Data reported relates to the survey undertaken in January 2025.

# OUR ACTIONS AND OUTCOMES

## SOCIAL CAPITAL

Ancala and our portfolio companies are committed to giving back to the communities we operate in. For several years now Ancala has been supporting its employees' social value initiatives.

The company has also decided to change its provision of lunches for meetings in the office. Instead of ordering catering from large corporates, small local businesses are now providing these services.

### The Happy Birthday Initiative

At the start of 2024, a new social value initiative was launched at Ancala. To celebrate team member birthdays, the company now makes a monetary contribution to each person's charity of choice on their birthday, and this is communicated across the office. This provides an avenue to support causes which are close to each team member's heart.

In addition to the company's annual Christmas donation to cancer care charity Maggie's, approximately £1,250 has been donated through The Happy Birthday initiative.

## Supporting causes through sport

Sport plays an important role in the annual social activities that are organised and promoted across Ancala. Ancala team members have participated in an array of sports-related activities. Over £12,500 has been contributed through two initiatives, specifically:

Macquarie Capital Football Cup	Macquarie Padel Tournament
10 employees participated and more than half of the entire Ancala office came to cheer on the team	8 employees participated
£6,000 donated to Street League	£7,500 donated to Australian Wildlife Conservancy UK



## Developing young people

The company also welcomed four young students who were completing their studies and joined Ancala during the summer for work experience. Each student gained experience and exposure of working with different teams at Ancala. They shadowed meetings, undertook analyst level research and analysis, contributed with ideas, developed their understanding of portfolio companies and investor engagement, amongst other activities.

In total, seven weeks of work experience was provided.



# OUR ACTIONS AND OUTCOMES

## PORTFOLIO PERFORMANCE<sup>24</sup>

In addition to engaging with our portfolio companies about environmental impact, we pay close attention to each company's human capital performance. Ancala has developed and implemented a series of KPIs that we monitor across the portfolio to achieve this. The indicators are applied depending on what has been identified as material to each portfolio company and what they can action. A summary of the portfolio performance across key subject areas is presented here.



### Employee Engagement

66% of companies undertook an employee survey<sup>25</sup>

25% of companies with employee response rate >75%<sup>25</sup>



### Health and Safety

One fatality<sup>26</sup>

66% of companies with 2 or less Loss Time Incidents (LTIs)<sup>27</sup>



### Gender Diversity

>50% of companies have >25% female employees<sup>25</sup>

>40% companies have >30% females in management roles<sup>28</sup>



### Employee Training

100% of companies delivering ESG-related training<sup>25</sup>

>80% of companies delivering cybersecurity training<sup>25</sup>

24 - Excludes companies that have been in Ancala's portfolio for less than 6 months by the end of 2024.

25 - Orites does not have employees, so it is not included in the analysis.

26 - Avincis suffered 1 employee fatality in 2024. The case is still under investigation and subject to litigation. No responsibilities have yet been attributed to the business. The company has continued to oversee a number of initiatives to continue to enhance the H&S culture and practices in Avincis over recent months. A new H&S Director has been hired, an annual company-wide H&S conference has been established (now in its second year) and internal systems have been modernised. The company has installed new reporting and emergency management systems (including Air Maestro, a hazard and risk register, Rayvn, critical emergency management and Power BI, and data reporting), employee communications and training on H&S issues have been increased. The company has also achieved ISO45001 certification, certain operations have been migrated between bases to enhance standards and oversight, an ongoing awareness campaign for increased reporting has been initiated, web manuals have been improved, and a flight data monitoring program has been introduced to list a few.

27 - The Croatian Biomass Platform companies were considered separately and Orites is not included as there are no employees.

28 - Companies with a small number of employees have not been included in the analysis. Three companies are therefore excluded. In comparison to last year, 2 less companies have 30% or more female employees in management roles.

# OUR ACTIONS AND OUTCOMES

## HS Orka: Leading the energy transition with EU taxonomy-aligned renewable power

HS Orka is Iceland's leading privately owned electricity generator and the third largest energy producer in the country. The company has been delivering 100% renewable energy for more than 45 years and is uniquely positioned to support both Iceland and its partners' transition to a low-carbon economy.

HS Orka owns and operates two geothermal power plants located in Svartsengi and Reykjanes respectively, with a combined capacity of over 215 MW. In addition, the company has three hydropower facilities with a capacity of approximately 20 MW. Its revenue base is supported by long-term power purchase agreements, a highly diversified customer base and very high customer retention rates.

### EU Taxonomy alignment

To assess the sustainability of its economic activities, HS Orka has evaluated its alignment with the EU Taxonomy for sustainable investments. Under the Taxonomy's climate change mitigation criteria, geothermal power generation must demonstrate lifecycle greenhouse gas emissions of no more than 100g CO<sub>2</sub>e per kWh of energy produced.

HS Orka's geothermal plants significantly outperformed this threshold. Independent lifecycle assessments (LCAs) covering its Svartsengi and Reykjanes power plants, conducted in accordance with ISO 14067:2018 and verified by a third party, report emissions intensities of just 35g CO<sub>2</sub>e per kWh, well below the Taxonomy limit. These reports are available on its website and have been reviewed and confirmed by an external party.

The following economic activities have been determined to be aligned with the EU Taxonomy:

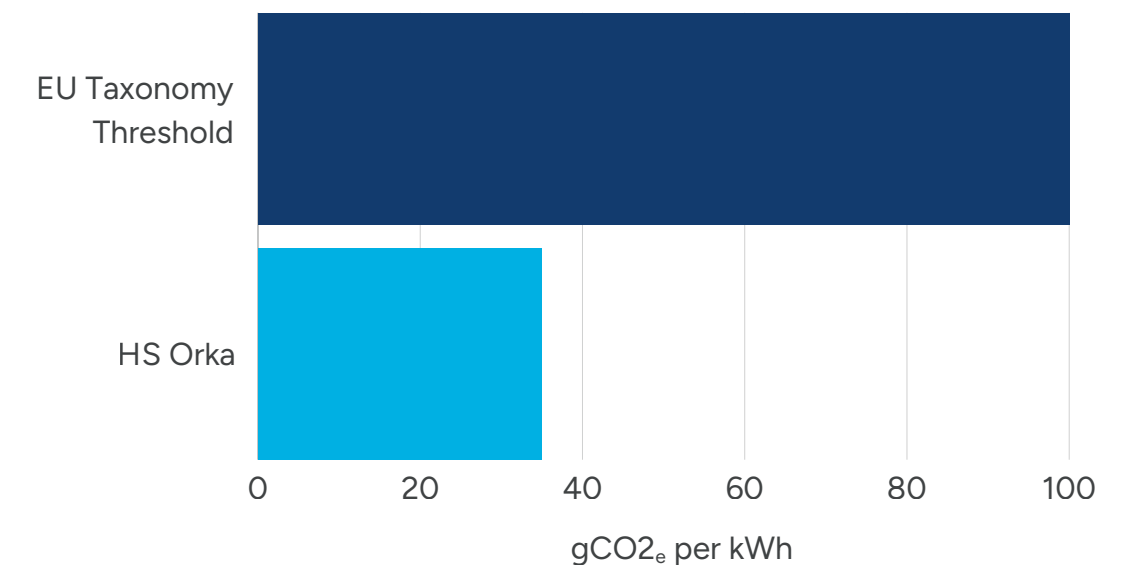
- Cogeneration of heating/cooling and power from geothermal energy
- Electricity generation from hydropower
- Construction, extension and operation of water collection, treatment and supply systems

### Taxonomy alignment with climate change mitigation

EU Taxonomy	Climate change mitigation	Do No Significant Harm	Minimum Safeguards
Turnover	73.9% <sup>29</sup>	Yes to all applicable	Compliant
CAPEX	94.9%	Yes to all applicable	Compliant
OPEX	96.9%	Yes to all applicable	Compliant

HS Orka's strong alignment with the EU Taxonomy not only reinforces its environmental credentials but also enhances its attractiveness for financing. In 2024, Ancala completed the refinancing of the business on more favourable terms due to its environmental credentials. Its environmental performance is also likely to attract interest from buyers, including those targeting "dark green" or Article 9 funds under SFDR, which may be interested in HS Orka in future.

### Lifecycle Emissions Intensity: Geothermal Energy



<sup>29</sup> - The purchase and sale of electricity is a non-eligible activity.

# OUR ACTIONS AND OUTCOMES

## Portfolio companies in the community

In addition to providing critical services, our portfolio companies play key roles in their local communities through their time and raising funds for charitable causes. In 2024, our portfolio companies collectively donated more than €2.2m to charitable causes. Here we feature some key initiatives.

### Augean 20 Acts of Kindness

To celebrate the company's 20th anniversary, Augean launched a brand-new initiative: 'Augean's 20 Acts Of Kindness'. The goal is for employees to deliver, within the next year, at least 20 acts of kindness for the community and their colleagues. The acts can be anything from time spent with an elderly veteran, supporting a children's football team, to fundraising for a colleague's deserving cause. Examples of Acts of Kindness already completed include foodbank donations, litter picking, truck drivers volunteering time and vehicles to aid charity events, among others.

The initiative adds to Augean's existing charitable efforts through its Community Fund which continues to offer up £50,000 for individual community projects. In 2024, over £1 million was donated to support significant upgrades to facilities used by community groups.

### Croatian Biomass Platform Big impact in a rural town

The Croatian Biomass Platform's EGP plant is based in a small town, Grubišno Polje, situated c.125km east of Zagreb.

The plant's management team has a long-standing commitment to support the town's local community. In 2024 alone, the company donated more than £14,000 to a wide range of community groups and associations.

The company supported the local football, handball, chess and fishing associations, the church in Grubišno Polje and the Croatian Mountain Rescue. The plant also has special animal companions. A 300 kg pet pig, rescued from a butcher, and two rescued stray dogs have become the beloved mascots of the plant.



### Portsmouth Water Preserving nature

As part of Portsmouth Water's commitment to environmental stewardship, over 250 young trees and native woodland plants have been successfully replanted at the Havant Thicket Reservoir site. The replanting was led by dedicated volunteers who, two years earlier, carefully collected and nurtured saplings in biodegradable pots sourced from within the reservoir footprint.

Species replanted include hazel, holly, beech, hawthorn, oak and yew, alongside native woodland flora such as butcher's broom, honeysuckle, celandines, foxgloves and cuckoo pint. These efforts support local biodiversity, preserve ecological continuity, and strengthen community involvement in the project.



### Magnon Funding local initiatives

In partnership with the San Juan del Puerto Council, Magnon Green Energy has concluded this year's call for community support initiatives. From 33 applications, 25 projects were selected for their strong social value and will share in the annual €100,000 funding.

These initiatives directly benefit the local community by promoting quality education, preserving cultural heritage, encouraging healthy lifestyles through sports, fostering social inclusion, and providing vital support to vulnerable groups. This collaboration reflects Magnon's ongoing commitment to creating meaningful, grassroots impact in the areas where it operates.



# OUR ACTIONS AND OUTCOMES

## Portsmouth Water: Enabling local economic growth

Water-only business Portsmouth Water, part of the Ancala portfolio since 2018, has commenced construction of the Havant Thicket Reservoir. This is the first major new reservoir to be built in the UK since the 1980s. This infrastructure project is of national importance to the UK as it will strengthen the resilience of the UK's water supply and play a critical role in protecting rare and environmentally sensitive chalk streams.

An independent Economic Impact Study by the University of Birmingham estimates that the construction phase alone will contribute over £50 million to the South East economy. This includes the creation of 84 new construction jobs, generating important employment opportunities for the local community.

### Youth Development

The project also prioritises skills development and youth engagement. Between 15 and 20 apprenticeships and work placements are planned, alongside a wide range of career events and on-site training opportunities. To date, the project's main contractors, Future Water MJJV Ltd and Ward & Burke Construction Ltd, have delivered 21 careers events and supported over 500 weeks of on-site training leading to nationally recognised qualifications.

The project has also been incorporated into the AQA GCSE Geography curriculum through a schools ambassador programme that encourages local youth participation and learning.

### Regional economic impact

Looking ahead, the completed reservoir is expected to contribute more than £2 million annually to the local economy in Havant. This will be driven in part by the development of extensive recreational facilities, including a visitor centre with educational spaces, a café, and up to 5km of accessible walking, cycling and equestrian trails. Additional features such as birdwatching areas, wetlands, picnic spots, and play areas are designed to enhance biodiversity and community wellbeing.

To maximise the regional economic benefit, Portsmouth Water has prioritised local procurement, awarding contracts for personal protective equipment, construction materials such as marine-dredged sand and quarried aggregate, and catering services to local suppliers.

Since acquiring Portsmouth Water in 2018, Ancala has worked closely with the management team to unlock this transformative project. We have provided over £150 million in upfront financing and supported the business through the complex planning and approval processes required to construct the reservoir.







06

Our performance

LEEP UTILITIES OWNS AND OPERATES THE ELECTRICITY CONNECTIONS AT BATTERSEA POWERSTATION

# OUR PERFORMANCE

## Sustainable Development Goals (SDGs)

In this section we summarise how the portfolio companies have been performing against ESG indicators and how their activities and operations are contributing towards the advancement of the SDGs. Data is reported without adjusting to ownership.

30 - Avincis suffered 1 employee fatality in 2024. The case is still under investigation and subject to litigation. No responsibilities have yet been attributed to the business. The company has continued to oversee a number of initiatives to continue to enhance the H&S culture and practices in Avincis over recent months. A new H&S Director has been hired, an annual company-wide H&S conference has been established (now in its second year) and internal systems have been modernised. The company has installed new reporting and emergency management systems (including Air Maestro, a hazard and risk register, Rayvn, critical emergency management and Power BI, and data reporting), employee communications and training on H&S issues have been increased. The company has also achieved ISO45001 certification, certain operations have been migrated between bases to enhance standards and oversight, an ongoing awareness campaign for increased reporting has been initiated, web manuals have been improved, and a flight data monitoring program has been introduced to list a few.

31 - Water is supplied to households, businesses, and sites, on a pro rata basis >50,000 million litres would have been supplied to clients.

32 - The EU average Household electricity consumption was used. Source: <https://www.odyssee-mure.eu/publications/efficiency-by-sector/households/electricity-consumption-dwelling.html>.

33 - Reduction in capacity resulting from the exit from Dragon LNG, which was not entirely replaced by the acquisition of the new Croatian Biomass power plant.

34 - FTE reported. People employed directly by the company or contracted to work within the facilities, supporting operations on the premises.

35 - Ancala has recently completed 2 investments: Hausheld in Q3 2024 and Phoenix Rail in Q1 2025. The team is still working with the companies on the implementation of the listed ESG actions.

36 - This represents an increase in the tonnage transported but a smaller number of km in comparison to last year.

37 - It was not possible to collect data relating to hazardous waste as per previous year. If the indicator as reported in 2024 had been estimated in 2023, then Magnon, Augean and Biogen, would have stabilised according to BAT (Best Available Techniques), recovered and/or reused > 1,016,000 tonnes of waste.

38 - The data includes only companies for which the indicator was considered material and for which data was available. The reduction results, in comparison to last year, from an overall lower production of waste by Magnon Green Energy. All the non-hazardous waste produced by Magnon is diverted from landfill in accordance with their Zero waste Aenor certification.



# OUR PERFORMANCE

## Looking ahead

While significant progress has been achieved by Ancala's ESG function and within our portfolio companies, we remain committed to continuous improvement. This commitment is central to how we operate.

We will continue working closely with portfolio companies to deliver, review and enhance their ESG Action Plans. For newly acquired businesses, our focus will include ESG onboarding, establishing robust data reporting processes, developing tailored ESG Action Plans, and supporting each company on its journey towards greater ESG maturity.

Across the portfolio, we are updating the climate change assessments using a new software which provides us with deeper analysis and a broader range of risk and opportunities. We will also engage with each business to discuss the findings and identify potential adaptation strategies. In parallel, we aim to complete a portfolio-wide biodiversity risk assessment.

With a selected group of companies, we plan to pilot a programme to assess alignment with the EU Taxonomy. Where appropriate, and depending on the complexity, we may expand this assessment to additional companies in future years. As part of this initiative, we will also finalise engagement on alignment with the EU Taxonomy's minimum safeguards, which reflect the social provisions of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

At the pre-investment stage, we will continue to support our investment teams through ESG screening and due diligence. A review and refresh of our ESG screening tool is also planned to ensure it remains robust and responsive to evolving standards.

We are looking forward to continuing to progress our ambition to deliver a more sustainable future.



THE RIVER ITCHEN  
An environmentally sensitive chalk stream which the Havant Thicket reservoir will help preserve

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At the date of this document, Ancala believes the ESG data to be accurate as it is based on information available to us at the time of disclosure. All the ESG data Reported was done so based on good faith and using good market practices to ensure sufficient data quality.

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# Appendix A

Carbon Accounting Methodology

# CARBON ACCOUNTING METHODOLOGY

Ancala has been reporting GHG emissions for itself and its portfolio companies since 2021, when the first carbon footprint was completed.

At the time, the Ancala's own GHG emissions for Scope 1, 2 and some Scope 3, as well as the GHG emissions for some of its portfolio companies were reported. Since then, Ancala has expanded the scope of the reported financed emissions as well as Scope 3 emissions from Ancala's own operations.

## Ancala's GHG emissions: Scope 1 and Scope 2

Ancala's GHG emissions are calculated inhouse, following the GHG Protocol, for Scope 1, 2 and 3 emissions.

In the summer of 2024, Ancala moved to a larger office. In the previous office Ancala was responsible for its own utility bills, whilst in the new office Ancala is invoiced by the building management team. In both offices, heating and cooling is provided by electrical systems. In the previous office there was no gas usage. In the new office, it is possible that gas is used to supply communal changing rooms with hot water, however it has not yet been possible to fully determine if that is the case.

Ancala does not have its own vehicles and has no operational control over the heating and cooling systems of the main office. As a result, there are no Scope 1 emissions to be reported.

The Scope 2 GHG emissions are calculated in line with the location-based method using activity data: electricity consumption, in kWh, from bills (in the London office). Ancala is not purchasing Guarantees of Origin and is therefore unable to calculate GHG emissions in accordance with the market-based method. The UK Government Emission Factors<sup>39</sup> for the relevant year, in this case 2024, are then multiplied by our electricity consumption.

## Ancala's GHG emissions: Scope 3

Ancala started reporting its Scope 3 emissions in 2021. Through time the team has increased the reporting coverage - in 2024 all portfolio companies are reporting their Scope 1 and 2 GHG emissions and some companies are reporting their Scope 3. We will continue to support, incentivise and work with the companies on improving their Scope 3 reporting.

Please refer to the table on the following page for a summary of the Scope 3 GHG Emissions reported by Ancala.

Business travel related GHG emissions have been calculated from a range of sources (travel agency and the travel expenses system) and different types of data: activity and spend based data.

For the information that was sourced from the travel agency records, activity data extracted includes: the start and end of journeys (then translated into km travelled), the number of people travelling and the type of seats. Where the seat type (economy, business or first class) was not known, the team has assumed an 'average passenger' journey. The emission factors were sourced from the UK Government's annual publication<sup>39</sup>.

All other business travel data was collected from the travel expenses system, where all employees are asked to log the travel details associated with their claimed expenses (for example, km travelled, means of transport, number of people, fuel used, where applicable, etc). From this system, activity-based data was extracted. The emission factors were sourced from the UK Government's annual publication<sup>39</sup>. There are instances where no activity-based data had been logged in the system and in other cases, it was not possible to understand the means of transport used.

Where only the means of transport is known, spend-based calculations were applied. The emissions factors were sourced from a UK Government spend-based data set<sup>40</sup>.

39 - UK 2024 GHG Emissions are sourced from the UK Government: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

40 - Spend-based Emissions factors were sourced from the following link: [https://carbonsaver.org/tools/scope\\_3\\_CO2e\\_factors.php](https://carbonsaver.org/tools/scope_3_CO2e_factors.php)

# CARBON ACCOUNTING METHODOLOGY

Categories	Reported?	Notes
Category 1: Purchased goods and services	N	Not material to the business.
Category 2: Capital Goods	N	Any purchased equipment would be reported in Category 1, these are not considered material to the business.
Category 3: Fuel and energy related activities (not included in Scope 1 or Scope 2)	---	Please refer to category 8 below.
Category 4: Upstream transportation and distribution	N	As explained in text below.
Category 5: Waste generated in operations	N	Applicable, not quantifiable for now. Building management looking to install scales to help quantify from different occupiers.
Category 6: Business travel	Y	As explained in text below.
Category 7: Employee commuting	Y	As explained in text below.
Category 8: Upstream leased assets	N	Applicable, but not material for the Luxembourg and New York offices, as these are small spaces. For the London office additional work will be done with building management to access communal data and, if applicable gas consumption data.
Category 9: Transport and distribution of sold products	---	Not applicable to the business.
Category 10: Processing of sold products	---	Not applicable to the business.
Category 11: Use of sold products	---	Not applicable to the business.
Category 12: End-of-Life treatment of sold products	---	Not applicable to the business.
Category 13: Downstream leased assets	---	Not applicable to the business.
Category 14: Franchises	---	Not applicable to the business.
Category 15: Investments	Y	Refer to the financed emissions section below.



# CARBON ACCOUNTING METHODOLOGY

Where information about the means of transport was not known, these emissions were not estimated. Based on the total number of business travel entries, the entries where no additional information was available account for around 20% of the total number that were recorded in both systems (travel agency and expenses).

Employee commuting related GHG emissions have been calculated using data collected from an employee survey. For a very small number of employees that are currently on leave, or that could not answer, based on the specificities of the missing data, we applied a bespoke methodology. For example, where the information was not available for a Luxembourg employee, the average GHG emissions from the other Luxembourg based employees was used to mitigate the data gap. Where data was missing from a London based employee, then average London specific GHG emissions were used. Where two employees live in the same town and have the same commute into the office, the information reported by one employee was used to mitigate the data gap for the other employee, as due to working from home policies the number of journeys is roughly the same.

The team collected data on all the different types of transport used and the km travelled for each transport type, as well as the number of typical days working in the office per week.

The emission factors published by the UK Government<sup>41</sup> were used. These were applied regardless of the office location.

Transmission and Distribution GHG emissions were calculated using the electricity consumption calculated for the Scope 2 emissions, with the UK Government's<sup>41</sup> emissions factors applied.

Upstream Leased assets GHG emissions have not been reported due to two reasons:

1. For the London office additional work will be done with building management to access communal data and, if applicable gas consumption data.
2. The Luxembourg and New York offices are small, leased spaces in managed office buildings, where Ancala has no financial and/or operational control and that are also not considered material to the business.

Please refer to the following section for the methodology that applies to the reporting of Ancala's Scope 3 financed emissions (Category 15).

## Ancala's Scope 3 Category 15 Financed Emissions (Portfolio Companies)

The GHG emissions have been estimated in line with the GHG Protocol. All companies reported data for the whole year, however emissions are adjusted to the amount of quarters that companies are within one of Ancala's funds, at acquisition and/or exit.

The GHG emissions of Ancala's portfolio companies are reported for most cases using activity-based data collected directly from the portfolio companies: energy consumption, fuel used, refrigerants topped up, etc. In some cases, spend based data is likely to be used, for example business travel, fuel used by company owned vehicles or similar. In other instances, most particularly for fugitive emissions the methodologies applied vary depending on the processes that companies have in place to demonstrate compliance with environmental licenses and permits. For example, fugitive emissions might be reported based on digital modelling or based on measurements undertaken either 2x a year or even annually, based on product data input and output or similar.

The emissions factors used in the calculations are sourced from reputable sources, preference is given to government-based data, followed by emissions factors sourced from reputable databases such as the Carbon Footprint, BEIS, ADEME, or similar.

Where needed, assumptions had to be applied to allow for the conversion of data. For example, distribution of diesel versus gasoline vehicles in a fleet, conversion of data between litres and km, kWh or litres or km flown.

Biogenic emissions relating to CO<sub>2</sub> are not reported, however biogenic emissions from CH<sub>4</sub> and N<sub>2</sub>O are included, with the exception where these were also not reported by a certification body.

41 - UK 2024 GHG Emissions are sourced from the UK Government: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

# CARBON ACCOUNTING METHODOLOGY

Portfolio company Scope 2 GHG emissions were reported in line with the location-based method. A quality of Guarantees of Origin (GOs) analysis was undertaken after the end of 2024 to confirm that any reported GOs could be used for Scope 2 accounting and that double counting would not occur. Where companies are producing and self-consuming energy from renewable sources but are at the same time selling all their own GOs, their energy consumption is assumed to be from non-renewable sources and/or from the mains grid.

## Data Quality and Reliability

All the data reported by Ancala for the portfolio companies GHG emissions has been collected directly from the portfolio companies, this is either GHG emissions and/or physical-activity data, which is then used to calculate the emissions.

Ancala continues to work with its portfolio companies on the quality, correctness and completeness of the data received and substantial efforts are made to ensure the data has the best quality possible, including having in place a comprehensive, multi-layered data quality check programme. However, it should be noted that our investments are in the Small Medium Enterprise (SME) market, where companies have lean organisational structures in place and where frequently there are no dedicated sustainability reporting roles. This makes it challenging to collect data.

Ancala is using the PCAF v2.0 standard to determine the level of data quality associated with the reporting of financed emissions.

The PCAF standard specifically mentions that: "Private equity that refers to investment funds is not included in this asset class; guidance on such private equity will follow in later editions of the Financed Emissions Standard." Despite this we decided to use the quality score Table 5.7 from the business loans and unlisted equity section, as this is the closest that could be identified. The scores in Table 5.7 range from 5 to 1, with 1 being the highest score possible for the best data quality. Based on the PCAF Table 5-7 information we can confirm that: 80% of the GHG emissions reported for the portfolio companies achieve a score of 2 and 20% of the GHG emissions achieves a score of 1.