

A large, stylized graphic of a four-leaf clover or plant, composed of white outlines on a blue background. The leaves are arranged in a cross pattern, with each leaf having a curved, pointed tip. The central text is overlaid on this graphic.

sustainability report

2021

SAXCVENT



Contents

04-05 Preface // 06-07 Mission and values // 08-09 Executive summary
10-11 Wind // 12-13 Solar // 14-15 Real estate // 16-17 Agriculture
18-19 CO₂ emissions from offices and day-to-day work // 20-21 Offset project
and outlook // 22-23 Methodology and contact

First Saxovent sustainability report

In each of our four areas of business – wind, solar, real estate, and agriculture – our aim is to harness the power of nature to stem the tide of climate change. With this first Saxovent sustainability report, we hope to provide you with insight into our areas of business, and to disclose our own greenhouse gas emissions and reductions.

This report covers the years 2019 and 2020, and in the future, we plan to publish an updated report every year.

The publication of our first sustainability report is embedded in the relaunch of our brand image and corporate identity.

This sustainability report already reflects our new corporate look, which we believe expresses our openness and passion for new things as well as our unwavering commitment to actively tackling climate change in a responsible way.

Dear business partners and friends,

Since Saxovent's founding 24 years ago, we have set ourselves the goal of stemming the tide of climate change and driving the transition to renewable energies. In the years since launching our first wind turbine in Eckolstädt, Thuringia in 1997 (hub height: 65 meters), we have grown into one of the leading stakeholders in the wind energy market, and we have implemented numerous on-shore wind farms in our role as project developer. The wind turbines we have helped to develop in Germany, France, and Eastern Europe have a total nominal capacity of 970 megawatts – enough to provide clean energy to nearly 500,000 households every year. In recent years, we have expanded our activities to other sectors and tapped new areas of business.

Today, we develop projects in the fields of wind, solar, and real estate. We also invest in agricultural technology companies. A decisive factor in our investment decisions is whether a given project will allow us to invest our capital in a way that results in the greatest reduction in CO₂. We call this "climate ROI". Consequently, we have actively diversified our investment portfolio over the last few years – without losing touch with our roots. Our latest wind turbine, with a hub height of 141 meters, recently went into operation in Brandenburg.

natural growth

Mission and values

Our mission at Saxovent is to preserve our Earth as a livable planet for our children. To that end, we are tapping into the power of nature to tackle climate change head-on. The objective of our work is to reduce CO₂ emissions to the greatest degree possible. Our mission is based on five basic values that fundamentally shape our conduct as a company, as well as how we interact with our partners and colleagues.

On the pages that follow, you can read all about how we embody these values in our day-to-day work and what they mean in detail for our individual areas of business and projects. We hope you find this report to be an enjoyable read!

Sincerely,



CEO Saxovent Smart Eco Investments GmbH

- 1 We believe in taking responsibility.
- 2 Together, we are strong.
- 3 You can count on us.
- 4 We are truly passionate about our work.
- 5 We act with the future in mind.



Executive Summary

Avoiding, reducing, replacing, and offsetting greenhouse gas emissions: our first sustainability report will show you how.

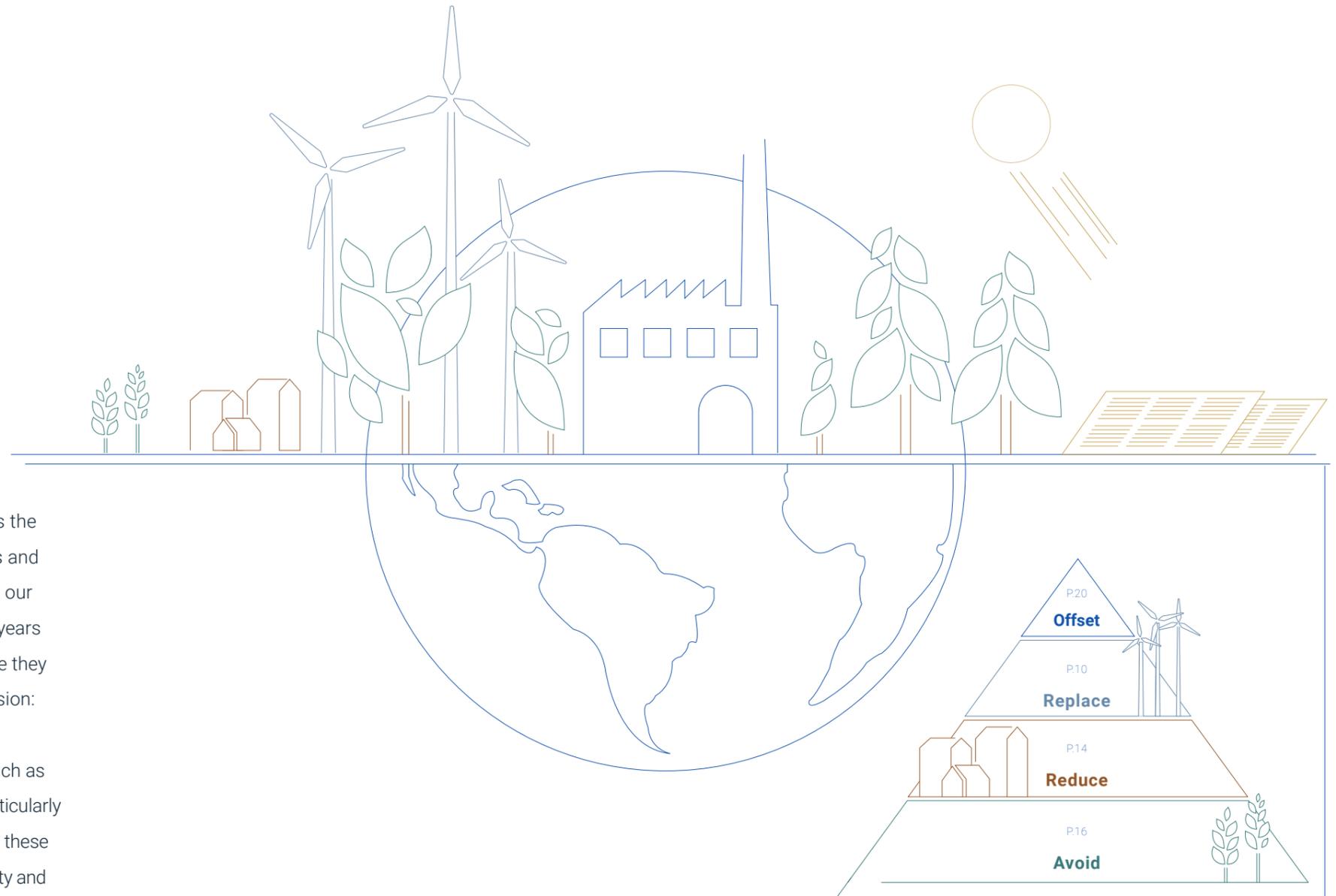
Climate action can only be effective if it is implemented consistently across the board. That's why we calculate the potential for CO₂ reduction for all our projects and investments and calculate our own greenhouse gas emissions. Many projects in our new areas of business are still in the initial stages, so comparison data from past years is not available. However, we will still mention these projects in this report, because they underscore our holistic approach and make a significant contribution to our mission: preserving our Earth as a livable planet for our children.

This is why in recent years, we have done more than just tap new markets (such as the solar markets in Spain or the US); we have also entered entirely new sectors, particularly in the areas of sustainable construction and agriculture. Our goal as a VC investor in these sectors is to reduce greenhouse gas emissions and to preserve our planet's biodiversity and fertile soil.

Committed to climate action

We take a holistic approach to combating climate change: Wherever possible, we avoid any additional emissions of CO₂ or other greenhouse gases (collectively referred to in the following as CO₂e). In some cases, this might mean continuing to operate an existing facility for a longer period of time, for instance. We consistently work to reduce unavoidable emissions – one way we do that is by using

sustainable raw materials. We are replacing high-emission technologies with climate-friendly approaches across the board, particularly in the area of energy. We plan to offset all remaining emissions via certified projects. This is the only way we will achieve our goal of carbon neutrality in the future.



The climate ROI of our previous investments

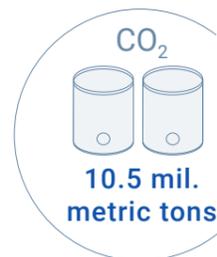
This is why we choose our investments and projects based on the potential for CO₂e reduction as well as on opportunities for financial return. With this approach, we have already prevented 10.5 million metric tons of CO₂e emissions since 1997; this is equivalent to the annual emissions of five million cars or six coal-fired power plants. And we plan to prevent the same amount of greenhouse gas emissions again by 2029 – in less than half that time.



Taking the wind out of climate change's sails

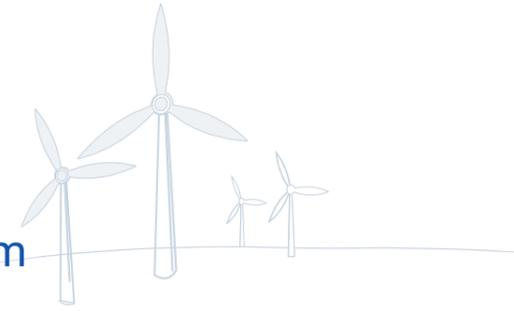
Our wind turbines have been driving the transition to renewable energies since 1997 – and preventing tons of greenhouse gas emissions in the process.

The wind turbines that we have developed or helped to develop in Germany, France, and Eastern Europe provide 500,000 households with clean energy. Exactly how much CO₂ the systems prevent from being emitted depends on the emission factor – the average amount of CO₂ emitted per kilowatt hour of electricity produced. For the German power grid, for example, this factor was estimated at 366 grams of CO₂ per kilowatt hour in 2020. And while the manufacturing, transportation, and construction of wind turbines also generates CO₂ emissions, operating them and actually producing energy generates practically no emissions at all – unlike fossil fuels. So, thanks to the emission factor, we can calculate the volume of CO₂ emissions we have prevented – and we can also estimate future emissions, as we will demonstrate using the Milow Wind Farm, which we helped to develop, as an example.



Since its founding, **SAXOVENT** has prevented 10.5 mil. metric tons of CO₂e emissions. This is equivalent to the annual emissions of five million cars or six coal-fired power plants.

Milow Wind Farm



In 2018, we invested in a wind farm in Milow, Brandenburg that contained ten V126 wind turbines from Danish manufacturer Vestas, with a total installed power output of 34.5 MW. According to information from the manufacturer, CO₂ and other greenhouse gas emissions are primarily generated in the manufacturing of the equipment. The tower (39%) and the base (15%) account for the lion's share; manufacturing these components requires steel and other materials that generate high levels of emissions. Once the turbines are operational, however, they only emit approximately 0.1 metric tons of greenhouse gases per year – generated by repairs, replacement parts, and maintenance work.

But the wind farm in Milow has been climate-positive since its first year – the 95.3 GWh of electricity it generates every year replaces fossil fuels in the German energy mix. In 2018, when the wind farm in Milow launched operations, its emission factor was 469 grams of CO₂ per kilowatt hour of electricity generated. In that sense, the Milow facility already prevented 44,696 metric tons of greenhouse gas emissions in the first year alone. If we subtract the emissions generated during the manufacturing, construction, and operation of the wind turbines – a total of 27,284 metric tons of CO₂e for the entire facility – the net volume of CO₂e emissions avoided amounts to 17,412 metric tons in 2018.

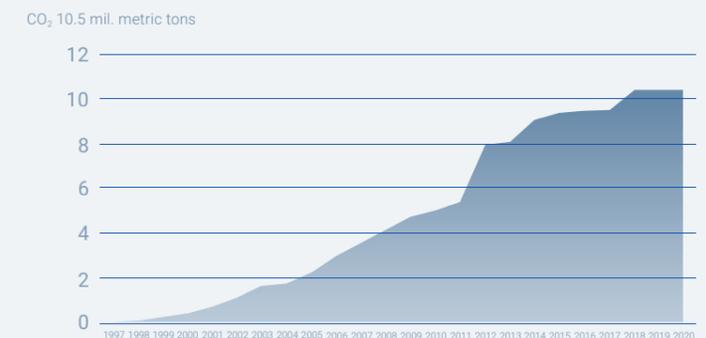
In the years since the facility first launched operations, the emission factor of the German electricity market has incrementally decreased as the energy mix has become greener and fossil fuels have gradually been replaced. In the future, we estimate that the emission factor will decrease by 8.8% annually, which will be taken into account in our calculations of future greenhouse gas emissions avoided. The wind turbines in Milow have an expected service life of 20 years, and when they are decommissioned and dismantled in 2038, recycling the materials will have the one-time effect of preventing an additional 9,190 metric tons of CO₂ emissions. Consequently, over the course of their 20-year service life, the wind turbines will prevent a net total of 382,556 metric tons of CO₂e emissions. Achieving the same greenhouse gas reduction through reforestation would require planting approximately 1.4 million trees.

CO₂ 10.5 mil. metric tons

Since its founding, Saxovent has prevented 10.5 mil. metric tons of CO₂e emissions. This is equivalent to the annual emissions of five million cars or six coal-fired power plants. Global emissions prevented by our wind turbines.

If we apply this calculation method to all the wind turbines we helped to develop, we have contributed to preventing an impressive 10.5 million metric tons of CO₂e emissions:

Cumulative emissions prevented (mil. metric tons of CO₂e)

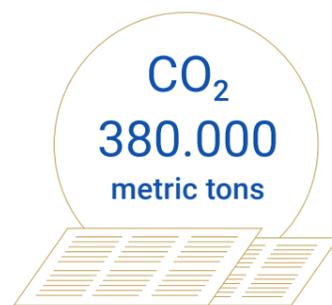




Sun worshipers

Around the globe, we develop and implement solar projects in cooperation with local partners, providing local companies and households with clean energy.

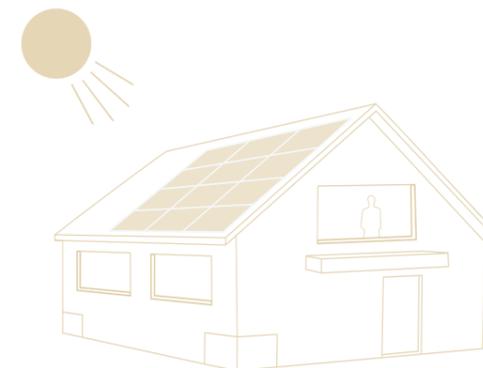
We implement solar projects in Germany and abroad to offer companies and households a source of clean energy that they can count on well into the future. We place particular focus on commercial and industrial customers; this sector is responsible for more than two thirds of the electricity consumption in the European Union, and its energy still primarily comes from fossil fuels. We will present some of our projects, partnerships, and investments here.



Our solar projects currently in development can contribute to preventing more than 380,000 metric tons of CO₂e emissions.

Entoria Energy

We have been active in the solar market of the Iberian peninsula since teaming up with our Spanish partner Entoria Energy in 2021; we help our industrial and commercial customers produce CO₂-free energy exactly where they need it most. This means that our customers not only produce their own electricity – and significantly reduce their costs – they also free themselves from the Spanish power grid, which still sources 41% of its energy from fossil fuels.



Ecoligo

We have been financing Berlin-based start-up ecoligo since 2019. It currently crowdfunds and implements solar projects for industrial and commercial customers in eight developing and emerging nations, including Vietnam, Kenya, and Chile. ecoligo is active in all the regions of the world that are being hit the hardest by climate change.

Ironwood

Not content to leave the field clear for the major players in the energy market, we joined forces with our North American partner Ironwood Renewables to help local customers in the US gain access to clean energy. Under the auspices of the Community Solar Program, we develop solar parks that replace fossil fuels and allow local groups to participate in the transition to renewable energies.





Wonderful wood

40% of global CO₂ emissions result from the construction, maintenance, and demolition of buildings. We think it's high time to change that.

Wood plays a central role as a building material in our construction projects. Compared to conventional building materials, wood stores more CO₂ and significantly improves our buildings' carbon footprint. Additionally, wood is part of the cycle of nature and can be recycled organically. That's why we believe wood is THE building material of the future. Consequently, not only do we make consistent use of wood in our real estate projects; on the outskirts of Berlin, we are also laying the foundation to allow many more buildings in Europe to be constructed from wood rather than concrete and steel.

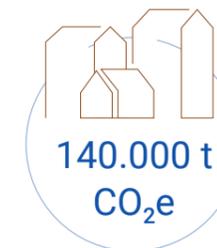
Deep dive: wood as a building material

One of the reasons we focus entirely on wood as a building material is its enormous potential for reducing CO₂e emissions. Throughout the life cycle of a building – from the procurement of materials before construction begins to the expected demolition after 50 years – one square meter built from solid timber rather than concrete can prevent more than 263 kg of CO₂e emissions. One cubic meter of wood used in the construction of a building binds one metric ton of CO₂ into the building materials for the service life of the building.

“Baumhaus” project

This factory for timber construction modules in Eberswalde, Brandenburg – our “Baumhaus,” or treehouse – is being built in cooperation with Swiss company Renggli AG and is scheduled to launch operations in 2023. With this project, we are bolstering production capacity and contributing to the implementation of modular construction projects using wood as a building material – particularly for housing in dense metropolitan areas, but also for day-care centers, schools, and hotels. The benefits will be reaped by the steadily growing number of project developers who, like us, firmly believe in wood as a building material.

Up to 4,000 wooden construction modules will be manufactured in Eberswalde every year, generating 140,000 metric tons fewer annual greenhouse gas emissions than concrete construction materials. We only work with wood from certified sources and sustainable forestry. And thanks to the fact that the facility is connected to the Oder-Havel Canal, the materials are transported via the environmentally friendly waterways.

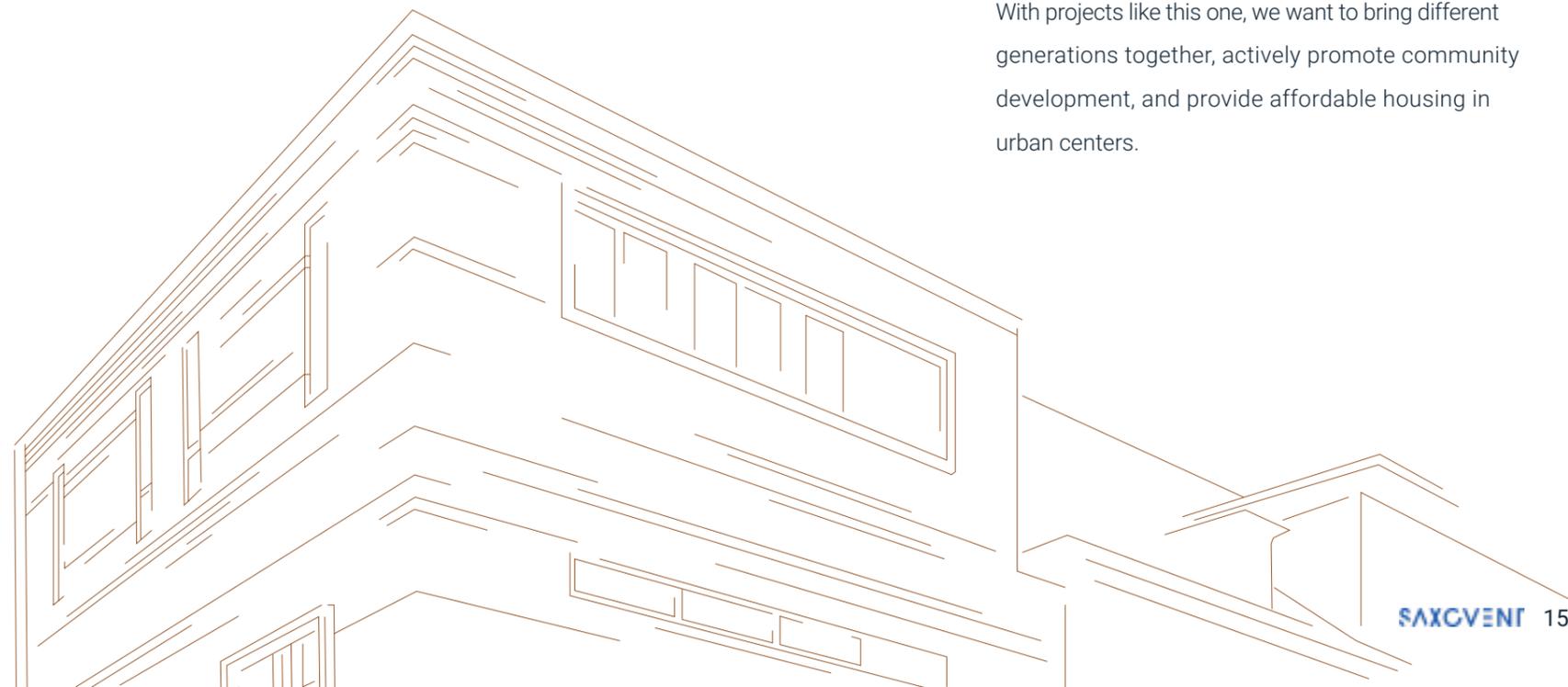


The buildings constructed with timber modules from Baumhaus can save up to 140,000 tons of CO₂ emissions compared to concrete buildings.



Projekt Gotthardstraße

This project consists of two residential buildings with a daycare center and senior center integrated into the ground floors. We believe that sustainability is about society as well as about the environment: With projects like this one, we want to bring different generations together, actively promote community development, and provide affordable housing in urban centers.





Fertile ground for the future

We use technology to transform the agricultural industry in a sustainable way and to secure our food supply for many years to come.

In recent years, our investment branch has supported a number of different innovative start-ups in Germany and abroad. Our goal is to help achieve market-readiness for all technologies and processes that: (i) measurably reduce greenhouse gas emissions, (ii) promote biodiversity over the long term, (iii) effectively mitigate the effects of climate change, or (iv) maintain the soil health of agricultural land over the long term. We consistently assess investment opportunities not just based on the financial return, but also based on their long-term potential to impact these four areas of focus. We will present some of our venture capital investments here.

Lucent BioSciences

Founded in Ontario in 2014, this biotechnology company developed a patented fertilization technique that binds important micro-nutrients such as zinc, iron, and other minerals to cellulose that is produced from industrial waste products such as lentil or rice husks. The cellulose is bioactive and ensures that the nutrients are always released to the plants at the optimum time. This not only improves crop yields by up to 50%; it also increases the overall level of nutrients in the crops and improves the health of the soil over the long term.

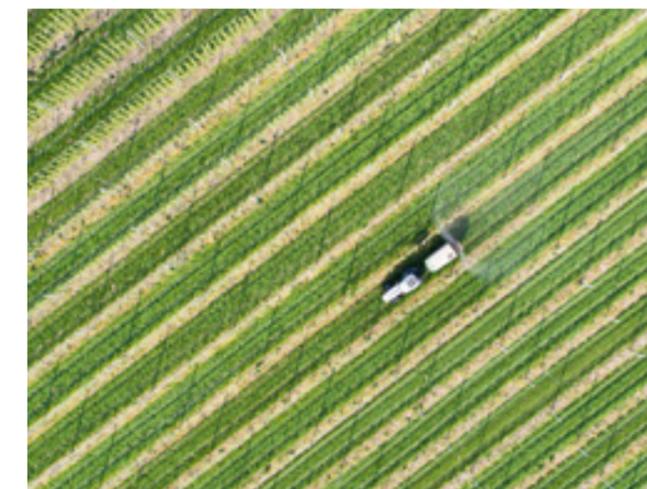


Computomics

This bioinformatics company based in Tübingen, Germany developed a powerful artificial intelligence (AI) system to optimize the cultivation of plants and seeds. One unique feature is that the AI not only uses the plants' genome data for analyses and predictions; it also feeds the algorithm large volumes of other local data on weather conditions, changes in the climate, and the conditions in the soil in order to simulate millions of potential hybrids. Seed producers can select the precise variety that offers the highest potential yield for their cropland. Given the more frequent periods of drought in many regions around the world, the ability to identify and cultivate climate-resistant varieties of crops will be extremely helpful for the agricultural sector.

FruitSpec

Founded in Tel Aviv in 2016, this start-up developed integrated hardware and software to create precise harvest forecasts for various types of grapes and other fruits months before they are actually harvested. A special hyperspectral sensor that can be mounted on a tractor takes stock of the fruit in the field, while the analysis software (also developed by the company) automatically analyzes the image data. The system automatically determines the number, size, and ripeness level of apples, pears, citrus fruits, or grapes, optimizes harvesting processes, and reduces waste. Consequently, consumers receive 30% more fruit without the need to expand croplands.



Measuring and reducing our own carbon footprint

Our projects prevent many metric tons of greenhouse gases from being emitted, but we still generate emissions during our day-to-day work, and we are disclosing them here.



According to international standards, a company's greenhouse gas emissions are broken down into three "scopes:" Scope 1 emissions result directly from company operations, such as emissions generated by company cars. Scope 2 emissions, on the other hand, comprise indirect emissions generated by the use of purchased energy, such as the use of electricity in an office. And finally, scope 3 emissions include all indirect emissions within the value chain – such as the emissions generated by transporting wind turbines during the construction of a wind farm. We have calculated our emissions in all three of these areas for the last two years and developed a plan for how to further reduce emissions in the future.

We chose the operational control approach to calculating our emissions; this calculation takes into account the emissions of all companies under our direct operational control. The largest source of emissions in our operational business (scope 1) was the vehicle fleet belonging to our subsidiary windpunx; it generated nearly 80 metric tons of greenhouse gas emissions in 2019. This is followed by the indirect scope 2 emissions arising from the energy we purchased for our offices (a total of 21 metric tons in 2019). We have purchased our electricity from renewable sources since our company was founded; however, we have not yet been able to transition to a climate-neutral source of heating, as our offices are connected to the district heating system. Our scope 3 emissions in 2019 amounted to 20 metric tons of CO₂e, primarily resulting from business trips and our colleagues' daily commutes. In total, we generated approximately 122 metric tons of CO₂e emissions in 2019, while we were only responsible for 74 metric tons of CO₂e emissions during the following year. However, the one-off effects of the coronavirus pandemic, such as travel restrictions and increased numbers of people working from home, must be taken into account here.

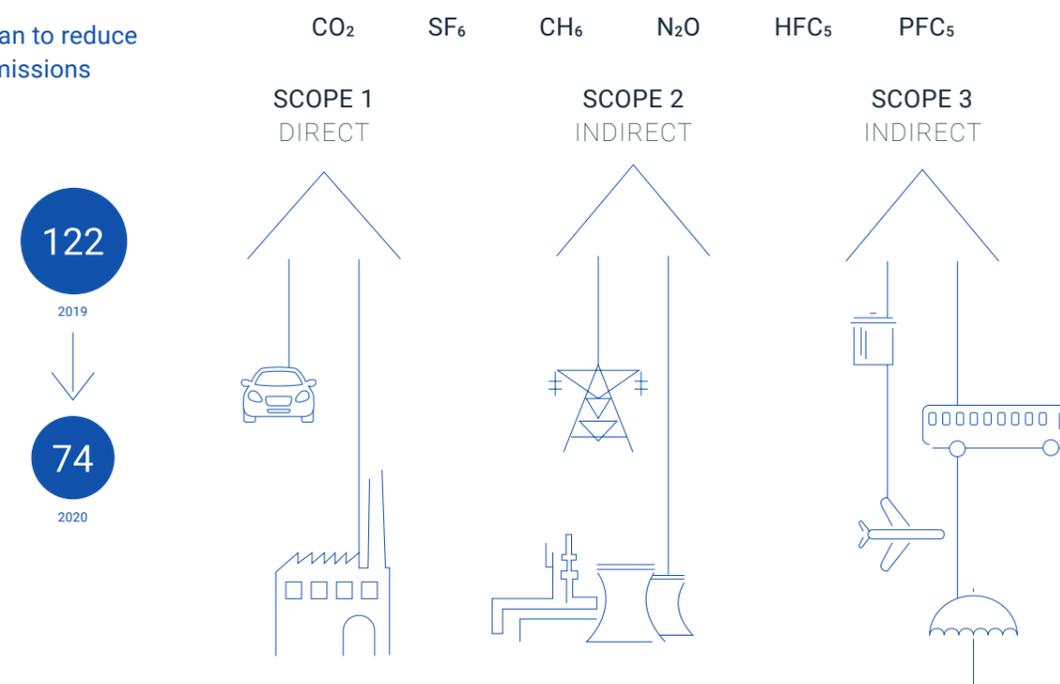
Our plan to reduce emissions

We plan to consistently reduce our greenhouse gas emissions in the coming years. By 2025, we want to reduce our direct emissions by 50% compared to 2019, adjusted for one-off effects such as Covid-19 and taking into account our growing team. Some of the ways we plan to achieve this ambitious goal include gradually transitioning our vehicle fleet to electric vehicles, subsidizing public transportation tickets for our employees' commutes, and introducing special days when our employees can have their bicycles repaired.

CO₂e emissions from our operational business

	2019	2020
Scope 1	81	43
Scope 2	21	19
Scope 3	20	12
Total	122	74

Plan to reduce emissions



Giving nature room to breathe

We used MoorFutures to offset the 122 metric tons of greenhouse gases we emitted in 2019.

The MoorFutures offset project

DEKRA has independently audited and certified our emissions from the last two years, and we fully offset all unavoidable emissions by purchasing credits from MoorFutures. MoorFutures uses the profits from these credits to rewild and reirrigate moors in Brandenburg, Mecklenburg-Vorpommern, and Schleswig-Holstein, preventing large volumes of carbon dioxide from being released into the atmosphere by trapping it in the peat. Moors are the largest and most effective form of carbon dioxide storage in the world; they trap twice as much CO₂e in their peat as all the forests in the world.

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Outlook

We will continue to purchase credits to offset our unavoidable emissions in the future. We aim to reduce greenhouse gas emission from our operational business to a minimum by 2024. Additionally, for the projects in our four areas of business that we have co-financed or developed ourselves, we are planning a cumulative overall reduction of more than 10.5 million metric tons of CO₂e emissions by 2029. That is the same volume of emissions that we have prevented in total throughout our entire company history.

2021 sustainability report

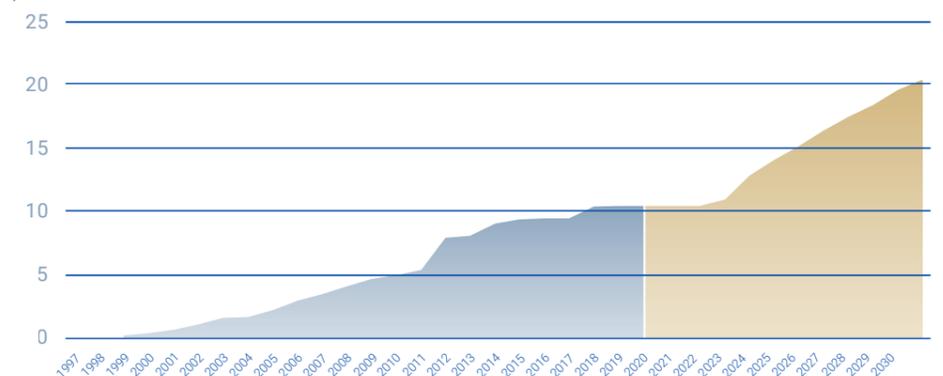
With the publication of our first sustainability report, we are opening a new chapter in our company's story, and we will continue to write that story in the years to come. From now on, we plan to publish our sustainability report annually as a testament to our internal and external efforts to ramp up climate action. To that end, we will expand the analysis of our greenhouse gas emissions to other projects in the future.

We have prevented 10.5 mil. metric tons of CO₂e emissions since our founding in 1997



Past and expected future CO₂e emissions prevented

(in mil. metric tons, cumulative):



The methodology



The data presented in this report was analyzed in line with the international standards of the Greenhouse Gas Protocol (GHG).

The GHG Protocol is the most widely used standard for greenhouse gas accounting. Numerous other standards are based on it, including ISO 14064 and many other government standards applied to companies. All of the greenhouse gases recorded in the Kyoto Protocol were included in the calculations by using CO₂ equivalents. This makes allowance for the fact that different greenhouse gases have a different impact on the climate. Consequently, methane and nitrogen dioxide emissions are converted to equivalent amounts of CO₂ that contribute to global warming to the same extent. For our greenhouse gas emissions accounting in 2019 and 2020, we opted for the operational control approach. This approach incorporates all emissions of all associated companies under Saxovent's operational control.

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