

GREEN FINANCE INVESTOR REPORT

2022

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INTRODUCTION

The energy transition in Germany and Europe is in full swing, aiming at climate neutrality. Amprion is helping to shape this transformation: we are paving the way for a sustainable energy system that is climate-neutral, safe and efficient. This aligns with our mission to ensure the highest level of system security possible, so that people are guaranteed a reliable power supply.

Amprion is one of the enablers of the energy transition in Germany and Europe. In a way, green is our business model. We are expanding and upgrading our power grid, thus enabling the transformation to a climate-neutral energy system. This will require substantial investments over the next years (around €22 bn until 2027). Over the next decade, we intend to expand and upgrade more than 5,500 kilometres of new power lines with the objective, amongst other things, of integrating new renewable power into our grid. We are going to raise a large part of the required capital through various sustainable financing instruments.

In order to comply with the reporting obligations of the Green Bond Principles (GBP), we publish this Green Finance Investor Report on an annual basis. The report provides our investors with comprehensive information on the progress of the Eligible Assets and of the allocation of proceeds. As promised in our “Framework”, our Green Finance Investor Report also includes an allocation reporting section and an impact reporting section.

LETTER FROM THE CFO



Peter R uth

DEAR READERS,

I am pleased to present to you the first “Green Finance Investor Report” of Amprion GmbH.

Amprion will make substantial investments in its transmission grid in the coming years to implement the energy transition in Germany and Europe. We will raise the necessary funds mainly on the capital market, among other ways via sustainable financial instruments.

Our green investments are governed by our “Green Finance Framework”, which is an important step towards embedding sustainability in our overall financing strategy. We are proud that Sustainalytics – a leading independent ESG and corporate governance research, ratings and analytics company – confirmed the alignment of our Green Finance Framework with the Green Bond Principles via its Second Party Opinion. Furthermore, the EU Taxonomy sets the overall framework for sustainable investments. Our economic activities, as part of the interconnected European energy system, qualify as contributing substantially to climate change mitigation. We minimise potential negative impacts on other objectives, such as the protection and restoration of biodiversity and ecosystems, by taking appropriate measures and complying with the EU Taxonomy.

This report will be published annually and transparently provides our current and future investors with comprehensive information on the allocation of our green finance proceeds and the environmental impacts of our financed investments.

I would like to start with a review of 2022: Last year, we consistently pursued our overarching goal of enabling a secure transition to a climate-neutral energy system in Germany and Europe.

With the start of the war of aggression by Russia against Ukraine in February 2022, fear and suffering emerged in the heart of Europe. The effects of this development are still far reaching and the energy markets were impacted heavily. The war marked the beginning of a new era in German energy policy and showed the necessity of energy independence in Germany and Europe.

In this environment, while transforming the energy system in Europe and Germany, security policy aspects are more relevant than ever. We have to focus on climate neutrality, affordability and the security of energy supply, at the same time.

In this regard, Amprion as a transmission system operator (TSO) plays a key role within Europe. We are not only responsible for system security within our transmission system, providing energy to 29 million people in Germany, we also have to monitor the entire transmission grid of northern Europe. We are working quickly and consequently to implement the necessary infrastructure for a climate-neutral, affordable and secure system.

For Amprion, 2022 was again a very successful year, as we intensified our focus on sustainability. Last year in May, we received our first ESG (environmental, social and governance) risk rating which meanwhile has been updated by Sustainalytics. Currently, Amprion has reached a score of “12.1”¹ and was assessed to be at “low risk” of experiencing material financial impacts from ESG factors. We are particularly proud that the result reflects our efforts and progress regarding our sustainability strategy.

Furthermore, we set targets to reduce our CO₂ emissions. We intend to reduce our Scope 1 and Scope 2 CO₂ emissions by at least 63% by 2032, compared to the base year 2017. Additionally, we intend to reduce our Scope 3 CO₂ emissions by 58.1%, based on the length of power lines being expanded and upgraded annually. The base year is 2021. These targets are in line with the 1.5°C figure in the Paris Agreement.

Another milestone was the issuance of our first green bond in September 2022. The dual-tranche bond of €800 m and €1,000 m, respectively, was a great success. We are very pleased that the transaction was met with great interest in the green capital markets and that we were able to attract many green investors. I am absolutely convinced that the intrinsic strategic focus of issuers on ESG factors plays an increasingly important role for investors. The order book was oversubscribed several times, underlining the high level of interest from investors. I would like to take this opportunity to sincerely thank our investors once again for the trust they have placed in us.

In 2023, we will again make major investments into the expansion of the grid, enabling us to continue on our mission of building a climate-neutral energy system. We will continue to tap the international bond market, becoming a frequent issuer.

I would like to clearly emphasise once again: Without the necessary grid infrastructure, the energy transition in Germany and Europe will not take place. Our measures are the prerequisites for the coal phase-out in 2030. We are building the infrastructure which enables both the integration of renewable energy into the energy system as well as the broader decarbonisation of the energy system. We are currently realising more projects than ever in order to maintain the industrial base in Germany and accelerate decarbonisation. We are therefore in constant exchange with all our stakeholders, particularly the German Federal Network Agency as well as decision makers from politics and the economy, to ensure that the regulatory framework continues to support our urgent tasks as well as possible.

We cordially invite you to follow us on this important and exciting path.

Yours sincerely,



PETER RÜTH

Chief Financial Officer (CFO)

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GREEN HIGHLIGHTS 2022

€1.8 bn

of inaugural green bond
dual-tranche in total

Sustainability

anchored in our financing strategy:
first Green Finance Framework

Climate strategy for CO₂ reduction

anchored in our financing strategy:
first Green Finance Framework

First ESG risk rating

Currently rated “12.1 low risk”
by Sustainalytics

Certified management systems

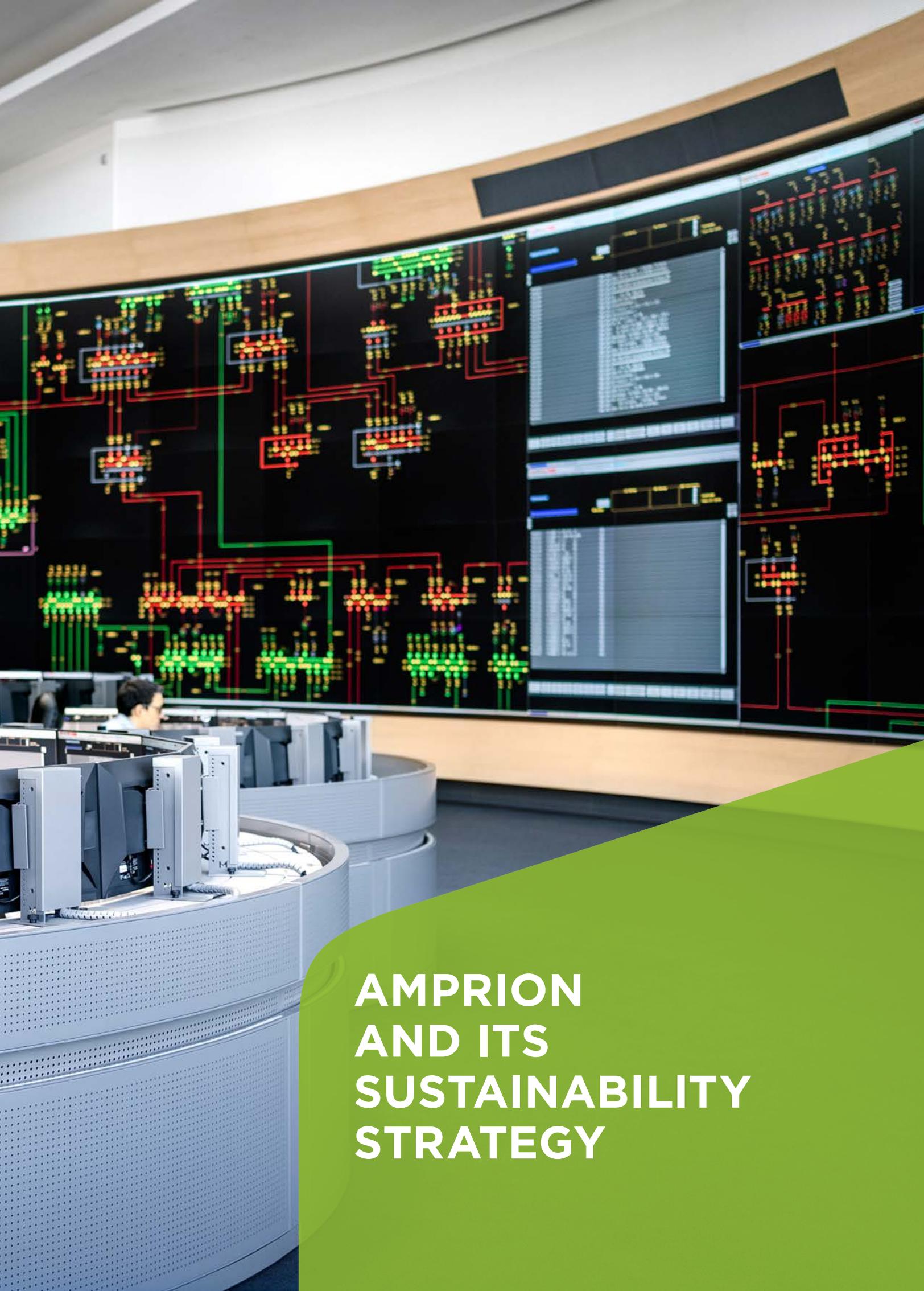
e.g. environment ISO 14001, energy
ISO 50001, cybersecurity ISO 27001,
occupational safety ISO 45001

EU Taxonomy

Our business activities are
classified as “enabling activities”

Sustainability report

aligned with the Global Reporting
Initiative (GRI) standards



AMPRION AND ITS SUSTAINABILITY STRATEGY

About us

Amprion GmbH (“Amprion”) is one of four transmission system operators (“TSO”) in Germany. Our 11,000-kilometre extra-high-voltage grid transports electricity in an area from the North Sea to the Alps. Around a third of Germany’s economic output is generated there.

Our power lines are lifelines of society. They secure energy for 29 million people. Around 2,300 employees in our headquarters in Dortmund, the System Operation and Control Centre in Brauweiler near Cologne, and more than 30 regional operating sites and project offices, make sure the lights never go out.

Due to our central location in the heart of Europe, our network also acts as a hub for the European electricity trade between north and south, as well as east and west. We provide cross-zonal capacities at the interconnectors to the Netherlands, France, Switzerland, Belgium and Austria, therefore performing overarching operations for the integrated system in Germany and Europe.

Sustainability strategy

In our operating business, our sustainability strategy comprises five fields of action, covering all aspects of our material sustainability topics. The goals we have set ourselves in these fields are in turn anchored in the processes and goals of all company departments. More information on our five fields of action can be found in our latest sustainability report on our website (www.amprion.net).



Corporate governance



Society and customers



Employees



Secure power system



Environment

Energy transition

Amprion's goal is to develop the future energy system – a cross-sectoral target system² to enable the European energy transition. In dialogue with policymakers and partners, we are developing long-term solutions aimed at uniting climate protection with grid stability and facilitating the decarbonisation of the energy system, at the same time. Therefore, Amprion creates added value for society and acts to the benefit of present and future generations. This is our understanding of sustainability as an integral part of our corporate strategy: responsibly shaping and securing the energy system of tomorrow.



The expansion of our grid is necessary as the current alternating current (AC) grid was designed for transporting electricity from conventional energy sources, which do not have high volatility in production and feed-in. With the integration of renewable energy sources, the volatility of the feed-in into the grid increases and needs to be balanced more sophisticatedly to create a highly reliable and stable grid.

This means, it is necessary to transport energy over long distances. Our grid needs to be equipped additionally with direct current power lines. These allow a higher transport capacity with only few grid losses, at the same time. This transformation requires a systematic adaptation of the transmission grid with renewable energy as the main source. This will be implemented, for example, through offshore wind parks and the grid expansion on land to enable the transport of renewable energy to the consumer hubs over long distances.

² Electricity, gas, heat and hydrogen will have considerable interactions in the future energy system. They must be considered together – integrated – when it comes to planning an efficient climate-neutral energy system. With our System Vision project, we have illustrated the complex interactions between the energy sources and defined various expansion paths up to the year 2045. We will contribute this expertise to the German government's system development strategy. We need a coordinated system management of electricity, gas, heat and hydrogen for the efficient conversion to a climate-neutral energy system. We have already built the technical platform for this in our main control centre (HSL) in Brauweiler.



Extension impact on biodiversity and nature

While developing the future energy system, we also want to protect the biodiversity and nature as our power lines cross many different landscapes, such as forests and meadows, coasts and waters, and thus impact various ecosystems. We consciously align our operational activities with ecological criteria. This not only applies to the operation of our substations and our buildings, but also to the design of our routes – we have more than 20 years' experience in managing the area underneath our power lines. Here, we apply our integrated vegetation management (IVM) concept, which has evolved over the years.

Thanks to our measures, numerous spaces have been created along the grid in which protected species, such as stonechats, red-backed shrikes, woodlark and wrynecks, have settled. We also ensure that our overhead power lines have as little impact as possible on the habitats of birds and other protected animal species. Numerous local plant species also profit from our biotope management, including orchids that are very rare in Rhineland-Palatinate, such as the broad-leaved orchid, the white orchid and the small orchid.

Amprion relies on innovative power-transmission technologies and takes their environmental compatibility into account. This also applies to underground cables, which – while preserving the landscape – in some cases requires extensive earth-moving measures. Independent experts therefore draw up a comprehensive soil-protection concept for each of our underground cable projects. This serves as a basis for examining and evaluating environmental concerns.

To protect the soil in projects with a high portion of underground work, such as A-North and DolWin4, necessary work, such as the regular testing of soil moisture, is only carried out in suitable weather conditions. Also, prior to the underground cables being built, a construction method is selected that is suitable for the nature of the respective soil. During construction, we take care that wheeled vehicles are only allowed to drive over the areas via temporary roads. We pay attention to possible soil compaction damage and have expert soil scientists available. After construction, we recultivate according to the local conditions.

Our aim is to build in such a way that agricultural land is available without restrictions after construction.

Our direct current (DC) power line projects are generally planned as underground cables. This is due to the amendment of the German Federal Requirement Plan Act (Bundesbedarfsplangesetz – BBPlG) in 2015 which implemented the underground cable priority. Underground cables leave a 20-30 metre-wide corridor, which can be used for agricultural purposes without restrictions. These cables have minimal impact on the wildlife living above and below the ground. Additionally – compared to overhead power lines – DC underground cables have a smaller Scope 3 CO₂ footprint.





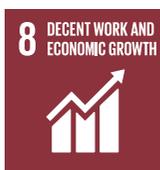
OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS IN 2022

Amprion contributes directly and indirectly to the Sustainable Development Goals (SDGs) of the United Nations (UN), which were established in autumn 2015. Specifically, the UN has determined 17 Sustainable Development Goals with a total of 169 targets to be achieved by 2030.



- **Ensure universal access to modern energy services**
- **Increase substantially the share of renewable energy in the global energy mix**
- **Facilitate access to research and technology and promote investment in renewable energies**

With the expansion and upgrade of grids and the ongoing development of the energy system, we are ensuring reliable access to electricity. At the same time, we are enabling the increasing infeed of renewable energies. To this end, Amprion is entering into EU-wide collaborations (for example, with companies, associations and science) and is promoting the energy transition at various political levels.



- **Diversify, innovate and upgrade to achieve higher levels of economic productivity**
- **Achieve full employment and decent work for all women and men and equal pay for work of equal value**
- **Protect labour rights and promote safe and secure working environments**

Amprion transports electricity for millions of people and thousands of companies. By modernising the energy system and making energy use more efficient, we will continue to secure the quality of life and jobs in the future. As an employer, we are committed to protecting labour rights, ensuring a safe working environment, implementing equal rights and providing decent work for employees and service providers alike.



- **Develop sustainable, resilient and inclusive infrastructure**
- **Promote sustainable industrialisation and infrastructure**
- **Enhance scientific research and upgrade industrial technology**

With its system infrastructure, Amprion ensures an uninterrupted and cross-border supply of electricity in Europe. To this end, we provide all market participants with non-discriminatory access to our grid infrastructure. At the same time, we are driving forward the integration of renewable energies with the aim of achieving Europe-wide supply.



- **Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters**
- **Integrate climate change measures into strategies and planning**
- **Improve education/awareness and capacity to tackle climate change**

Amprion stands for a resilient electricity system that will continue to secure Europe's power supply in the future. By integrating renewable energies, we are helping to combat climate change. We have built climate protection measures into our corporate strategy and are lobbying politicians to align further development of the energy system with the targets of the Paris Agreement on climate change.



- **Conserve and restore terrestrial and inland freshwater ecosystems**
- **Halt biodiversity loss and protect natural habitats**

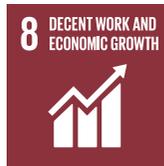
We are aware that we have an impact on natural ecosystems. This is why we landscape the areas around our routes according to ecological criteria. Through our effective biotope management along our power lines, the planting of wildflower strips and the designation of ecological compensation areas, we are helping to conserve habitats and species.



**UNITED NATIONS SDG 7
AFFORDABLE AND CLEAN ENERGY**

28,475 MW

Installed grid capacity from renewable energy



**UNITED NATIONS SDG 8
DECENT WORK AND ECONOMIC GROWTH**

0

No. of deaths

0

Cases of discrimination

0

No. of work-related/
commuting accidents
among contractors'
workers

2.3%

Fluctuation

3

Rate for work-re-
lated/commuting
accidents (LTIF*)

20.7%

Equal opportunities
at Amprion: Overall
proportion of women



**UNITED NATIONS SDG 9
BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND
SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION**

100%

Grid availability



**UNITED NATIONS SDG 13
TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND
ITS IMPACTS**

Enabling the energy transition by integrating power generation
based on renewable energies

Setting reduction targets for Amprion's GHG emissions: Scope
1&2 (at least 63% by 2032 on a 2017 base year) and Scope 3
(58.1% by 2032 per extended and newly built length of trans-
mission lines on a 2021 base year)



**United Nations SDG 15
Life on land**

20

Flowering meadows
(2021: 11)

9,000 ha

Biodiversity: Maintenance based
on integrated vegetation management

*LTIF (Lost Time Incident Frequency) = LTI x 1 million working hours/number of hours actually worked

Our contribution to a climate-neutral energy system

WE ...

... are expanding and upgrading our grid so that it can handle renewable energy sources

... are continuing to keep the grid stable in light of changing conditions

... are driving forward sector coupling and integration so that we can plan the grid infrastructure as one complete system ("one system view")

... are connecting renewables to our grid - onshore and offshore

... are transporting more and more electricity from renewable sources safely and reliably around Germany

... are continuously optimising our system operation and control systems and establishing new forecasting tools for the integration of renewables

... are transporting electricity over long distances from the generation centres to the consumption centres

... are playing our part in supplying electricity to the consumers in our grid area

... are integrating renewables into the energy market

... are interconnecting energy markets in Germany and Europe

... are facilitating the coal phase-out and ongoing decarbonisation of the energy system

OUR GREEN FINANCE FRAMEWORK

As part of our continued commitment to sustainability and to provide an opportunity for our investors to engage and support our sustainability journey, a Green Finance Framework (the “Framework”) has been established. The Framework has been developed to align with the 2021 ICMA Green Bond Principles (GBP), as well as the 2021 APLMA, LMA and LSTA Green Loan Principles (GLP), and therefore consists of the four key sections and a recommended external review component:

- 1 Use of Proceeds
- 2 Process for Project Evaluation and Selection
- 3 Management of Proceeds
- 4 Reporting
- 5 External Review





The Framework has been developed to align with the substantial contribution part and, at a best effort, the Do No Significant Harm (DNSH) part of the technical screening criteria of the EU Taxonomy as of December 2021³. The complete Framework is available for download on our corporate website.

According to the “Use of Proceeds” section in the Green Finance Framework, proceeds from green finance instruments can be used to finance or refinance Eligible Assets that enable the transition to a fossil-free and environmentally sustainable society. Our Green Finance Framework has been established for positive screening and enables the financing of capital expenditures for the construction, development, installation, manufacturing, expansion, upgrade, reconstruction, renovation and potential acquisition of Eligible Green Assets. Refinancing is defined as the financing of assets that have been taken into operation more than one year before the time of approval by the Green Finance Committee.

Also, for the avoidance of doubt, proceeds from our Green Finance Instruments have not been, and will not be, used to finance the connection of new fossil power systems or new nuclear power plants into the grid.

³ Refers to EUR-Lex - L:2021:442:TOC - EN - EUR-Lex (europa.eu), “Commission Delegated Regulation (EU) 2021/2139 of 4 June supplementing Regulation (EU) 2020/852 of the European Parliament and of the European Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives”.

Our investments relate closely to the Green Bond Principles and Green Loan Principles categories of “Renewable energy” and “Energy efficiency”. Due to the long-standing processes tracking and accounting for different assets, it is currently not possible to distinguish the exact allocations to the respective categories. Therefore, we adopted the Eligible Asset Category “Sustainable and secure transmission systems”, which includes the renovation, upgrading and expansion of the transmission grid itself, stations and interconnectors which lead to enhanced transmission capacity, improved grid resilience and security, as well as the integration of renewable power into the energy system.

The Eligible Assets are divided into the following three categories:

- ① “Grid connection offshore”
- ② “Onshore DC projects and converters” and
- ③ “Onshore AC projects including substations”

Grid connections between offshore renewable energy projects and onshore substations through sea and land cables, including offshore interconnectors to electricity grids, converter platforms and connection facilities at the onshore substation, belong to the first category. Onshore DC lines and DC stations as well as DC interconnectors within the European grid, which contribute to efficiency as well as to the integration of renewable energy, are attributable to the second category. The third category “Onshore AC Projects including substations” includes investments for the development, construction and reconstruction of the onshore AC electricity grid, in order to enhance and renew the transmission grid as well as AC interconnectors within the European grid, to foster capacity for renewable energy and efficiency.

By investing into these three Eligible Asset Categories, we directly contribute to the United Nations Sustainable Development Goals 7.2 and 9.4 and to the EU Taxonomy environmental objective of “climate change mitigation”.

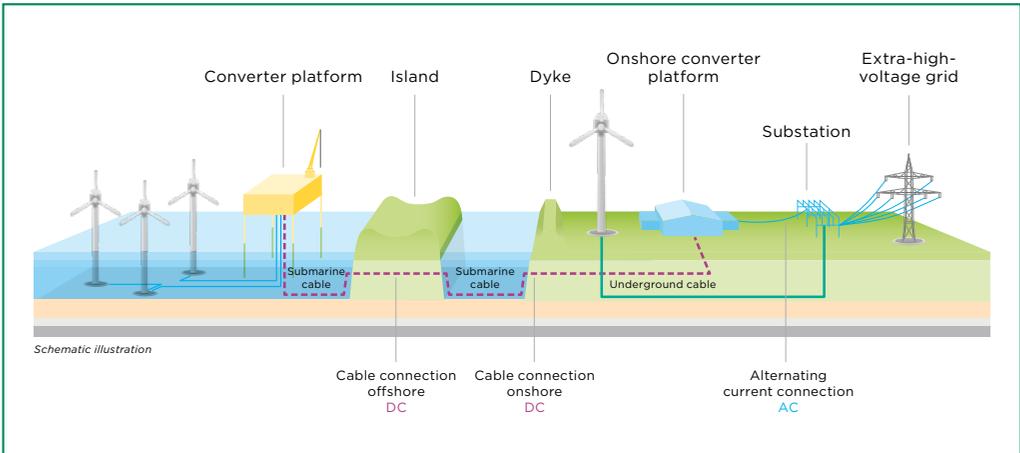


ELIGIBLE ASSET CATEGORY	ELIGIBLE ASSETS	UN SDGs	Environmental Objective ⁴
Sustainable and secure transmission systems ⁵	<p>The renovation, upgrading and expansion of the transmission grid, stations and interconnectors which leads to enhanced transmission capacity, improved grid resilience and security, as well as the integration of renewable power into the energy system. This includes:</p> <ul style="list-style-type: none"> • Grid connection offshore Grid connections between offshore renewable energy projects and onshore substations through sea and land cables. This includes offshore interconnectors to electricity grids, converter platforms and connection facilities at the onshore substation. • Onshore DC projects and converters Onshore DC lines and DC stations as well as DC interconnectors within the European grid, which contribute to efficiency as well as integration of renewable energy. • Onshore AC projects including substations Development, construction and reconstruction of the onshore AC electricity grid to enhance and renew the transmission grid as well as AC interconnectors within the European grid, to foster capacity for renewable energy and efficiency. 	 <p>Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p>  <p>Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p>	Climate change mitigation

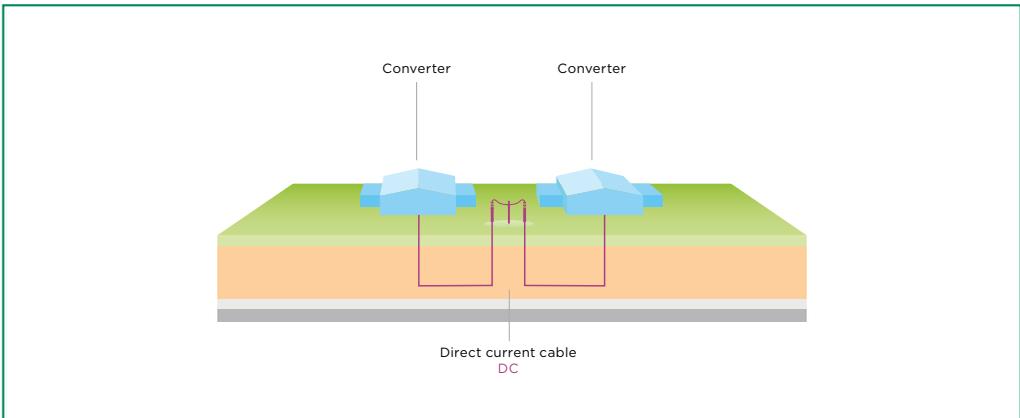
⁴EU Taxonomy Environmental Objectives (Article 9 of the Taxonomy Regulation EU 2020/852).

⁵This Eligible Asset Category relates closely to the GBP & GLP categories of “Renewable energy” and “Energy efficiency”. Due to the long-standing processes as to how Amprion tracks and accounts for different assets, it is not currently possible to distinguish the exact allocations to the respective categories.

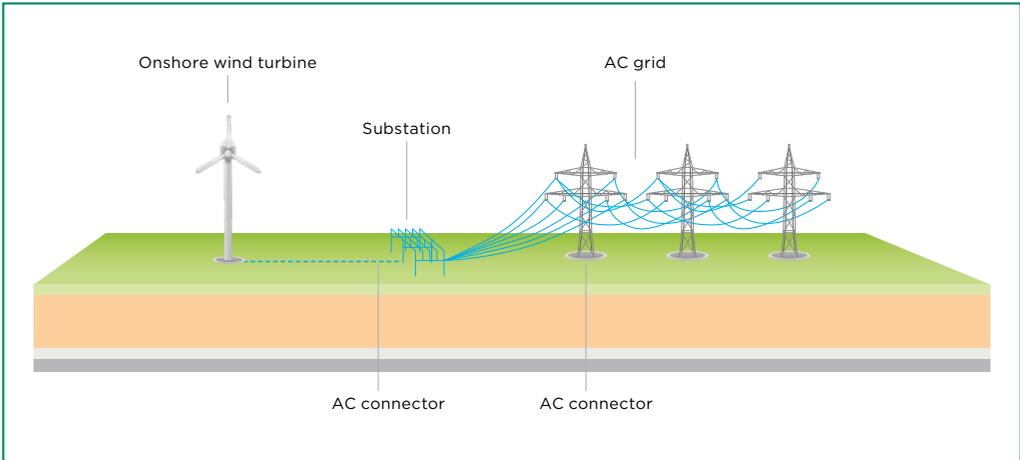
GRID CONNECTION OFFSHORE



ONSHORE DC (DIRECT CURRENT) PROJECTS AND CONVERTERS



ONSHORE AC (ALTERNATING CURRENT) PROJECTS INCLUDING SUBSTATIONS



ALLOCATION REPORT

Due to the high number of individual projects, the information regarding the Green Finance Portfolio is provided on an aggregated portfolio basis. Amprion's Green Finance Framework foresees a distinction between new financing and the refinancing of Eligible Assets.



Refinancing is defined as the financing of assets that have been taken into operation more than one year before the time of approval by the Green Finance Committee. The share of new financing and refinancing is illustrated in the following table.

in €m		2019*	2020	2021	2022	Total
NEW FINANCING	Grid connection offshore	0.6	25.0	36.0	82.8	144.4
	Onshore DC Projects	31.0	174.5	160.6	253.4	619.5
	Onshore AC Projects including substations	186.4	539.6	766.3	819.3	2,311.6
	Total	217.9	739.1	963.0	1,155.5	3,075.5
REFINANCING	Grid connection offshore	0.0	0.0	0.0	0.0	0.0
	Onshore DC Projects	53.5	97.1	18.6	2.1	171.4
	Onshore AC Projects including substations	21.2	50.1	25.9	9.3	106.6
	Total	74.8	147.2	44.5	11.4	278.0
						3,353.5

„√“: assurance procedures performed on all numbers

*From September to December 2019

Outstanding Green Finance Instruments

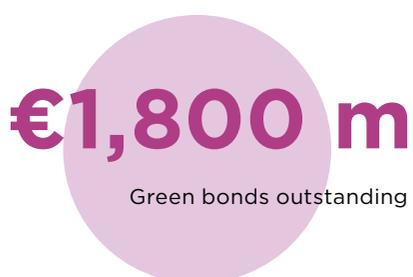
Bond type	Coupon	Issue date	Maturity date	Volume €m
Green Bond 2022 (5Y)	3.450%	22/9/22	22/9/27	800
Green Bond 2022 (10Y)	3.971%	22/9/22	22/9/32	1,000
Total allocated				1,800

„√“: assurance procedures performed

Amprion has established a Green Finance Committee which is responsible for evaluating and selecting Eligible Assets. The Green Finance Committee held its first meeting in the reporting period to select all Eligible Assets and to establish the Green Finance Portfolio. The evaluation and selection process of Eligible Assets has been accomplished according to the eligibility criteria defined in the Green Finance Framework. Also, the Green Finance Committee is responsible for monitoring the selected Eligible Assets and ensuring the alignment of the Green Finance Portfolio with the criteria outlined in the Green Finance Framework.

This might include the removal of assets from the Green Finance Portfolio in case they no longer meet the relevant eligibility criteria.

Finally, the Green Finance Committee ensures that the proceeds from green financing instruments will only be invested in Eligible Assets included in the Green Finance Portfolio. Considering the investment volume in our Green Finance Portfolio, amounting to €3,353.5 m, the currently outstanding green bonds of €1,800 m only reflect a part of the total Green Finance Portfolio.



„√“: assurance procedures performed

SAMPLE PROJECTS OF OUR ELIGIBLE ASSET CATEGORIES

In the following, we present some examples of our projects that fall under the Eligible Asset Categories of the Green Finance Framework. Environmental protection and species conservation play a central role in all our projects and Amprion does its utmost to keep the impact on nature and the environment as low as possible during the necessary expansion and upgrade of the transmission grid, or to take appropriate compensation measures.

These extensive measures for avoidance, mitigation and compensation usually result from expert nature conservation reports and are, for example:

- Protection and avoidance measures
- Coherence assurance measures
- CEF measures (continuous ecological functionality measures)
- Restoration measures/route recultivation
- Design measures



GRID CONNECTION OFFSHORE

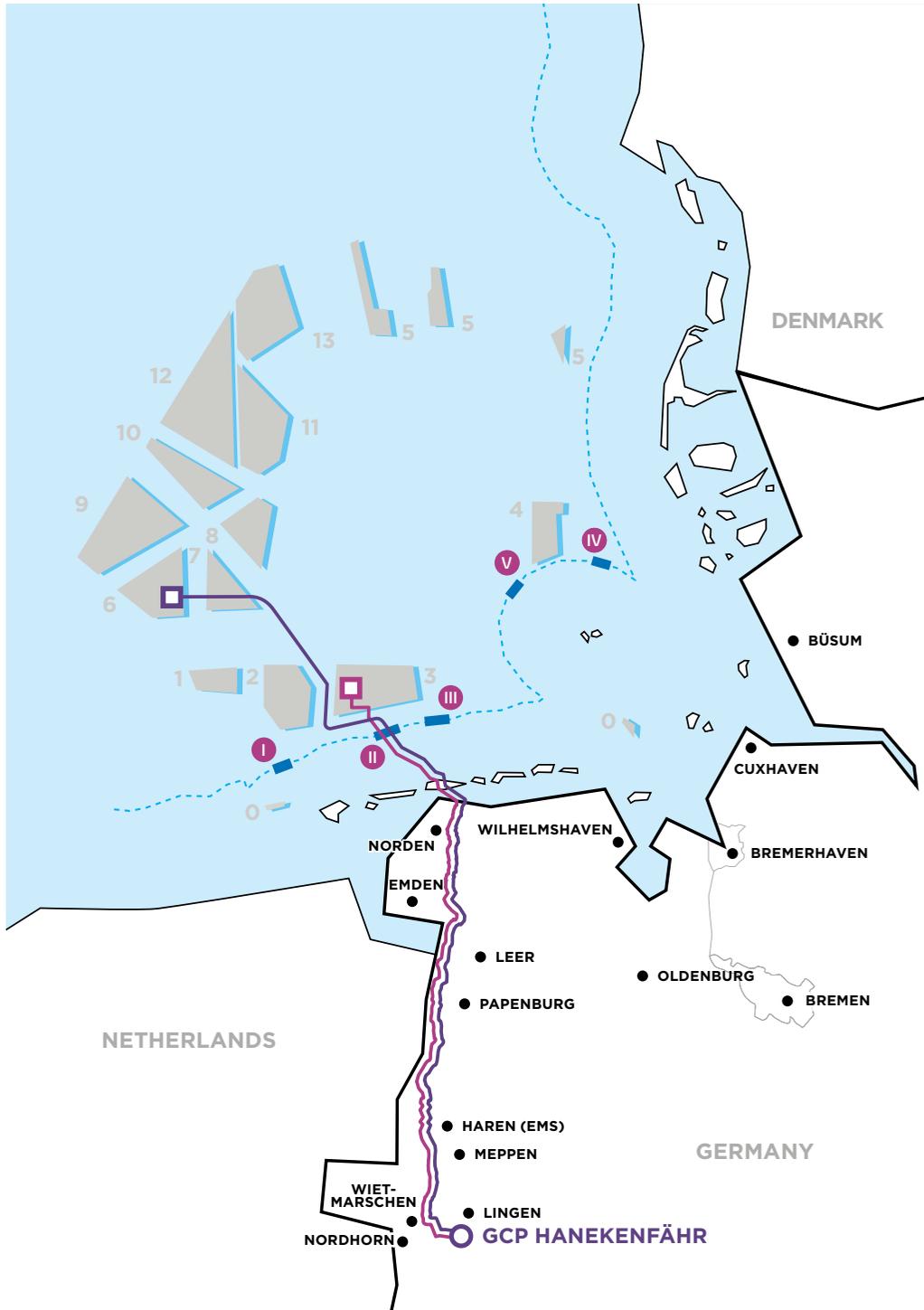
DolWin4 and BorWin4 | Projects finally confirmed by the German Federal Network Agency in the Grid Development Plan 2035 (2021)

Multiple wind farms are already placing a heavy load on the transmission grid in the coastal region of Lower Saxony. The German Federal Network Agency has therefore decided to relocate the connection points for two new wind power connections much further inland in Lingen, in southern Emsland (a district which borders North Rhine-Westphalia in the south and the Netherlands in the west). Amprion's Hanekenfähr transformer station is located in Lingen. This substation connected the Emsland nuclear power plant to the transmission grid. Following the shutdown of this plant in April 2023, transmission capacities of 1.4 gigawatts (GW) were freed up at this major grid hub.

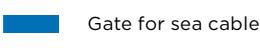
These capacities will, in future, be used to transport wind power to the consumption centres in the west and south of Germany. Amprion has been legally mandated to build the grid connection systems DolWin4 and BorWin4 from the North Sea to Lingen. From the wind farms to the coast, these connections will be run as submarine cables, passing beneath the island of Norderney. On land, the installations will be realised as underground cables.

The two planned offshore connection systems will be installed next to each other. DolWin4 will be a connection of around 215 kilometres, of which about 60 kilometres will run off the coast. BorWin4 has a total route length of about 280 kilometres, of which approximately 125 kilometres are at sea. On land, both DolWin4 and BorWin4 are planned as underground cables using DC technology. Both DolWin4 and BorWin4 can individually transmit an output of 900 megawatts (MW). Combined, this corresponds to meeting the electricity demand of a large city such as Hamburg with 1.8 million inhabitants. Both connections are scheduled to start operating in 2028. The total project costs for DolWin4 and BorWin4 are expected to amount to approximately €3.9 bn.

Project illustration DolWin4 and BorWin4



DOLWIN4 AND BORWIN4

- | | | | |
|---|-------------------------|---|-----------------------------|
|  | Offshore wind farm area |  | BorWin4 |
|  | Converter platform |  | Gate for sea cable |
|  | DolWin4 |  | Grid connection point (GCP) |

Schematic illustration

A wide landscape of tall grasses in the foreground and a flat plain in the distance under a cloudy sky. The grasses are green and yellow, and the sky is overcast. In the far distance, a line of wind turbines is visible on the horizon.

**ENVIRONMENTAL AND SPECIES
PROTECTION FOR DOLWIN4
AND BORWIN4**

The protection of people and nature is very valuable to us. Therefore, in all projects we take care that the construction and operation of the power line have as little impact as possible on humans, wildlife and the environment. Nevertheless, interventions in nature are unavoidable.



The completion of the main tideway enables tidal interaction of wet and dry periods, so that flora and fauna can develop optimally.

In these cases, we compensate for such impacts with the help of various nature conservation projects in accordance with legal requirements.

Together with TenneT Offshore GmbH, we have re-naturalised an area of around 19 hectares in Neßmersiel, close to our DolWin4 and BorWin4 project area. The compensation measure “Westerneßmerheller” aims to restore the irrigation and drainage of the area through a variety of ground measures, so that a natural salt marsh can develop. This will facilitate the natural alternation between wet and dry phases and ensure optimal development conditions for the regional flora and fauna.

In the DolWin4 and BorWin4 project area, for example, the tree-hole dwelling bat and the common redstart can be found.

Tree-hole dwelling bat

The objective of this measure is to preserve the ecological function of the reproduction and resting places of tree-hole dwelling bats. In this context, we will plant a row of trees as a landscape-typical and landscape-defining structure along the watercourse. In the trees, the installation of bat boxes is intended to compensate for the loss of tree roosts. This is a proven and suitable measure for the replacement of impaired tree roosts.



Common redstart

The common redstart naturally breeds in tree hollows and niches. If there is a lack of natural nesting opportunities, our measure will increase the supply of breeding sites by providing nesting aids in near-natural field copses and on tree hedges. In connection with this project, Amprion will plant a meadow orchard for the installation of nesting boxes. Also, site-specific, locally typical fruit trees, such as apple, pear and plum trees will be planted. The objective is to maintain the ecological function of the breeding and resting places of the common redstart.



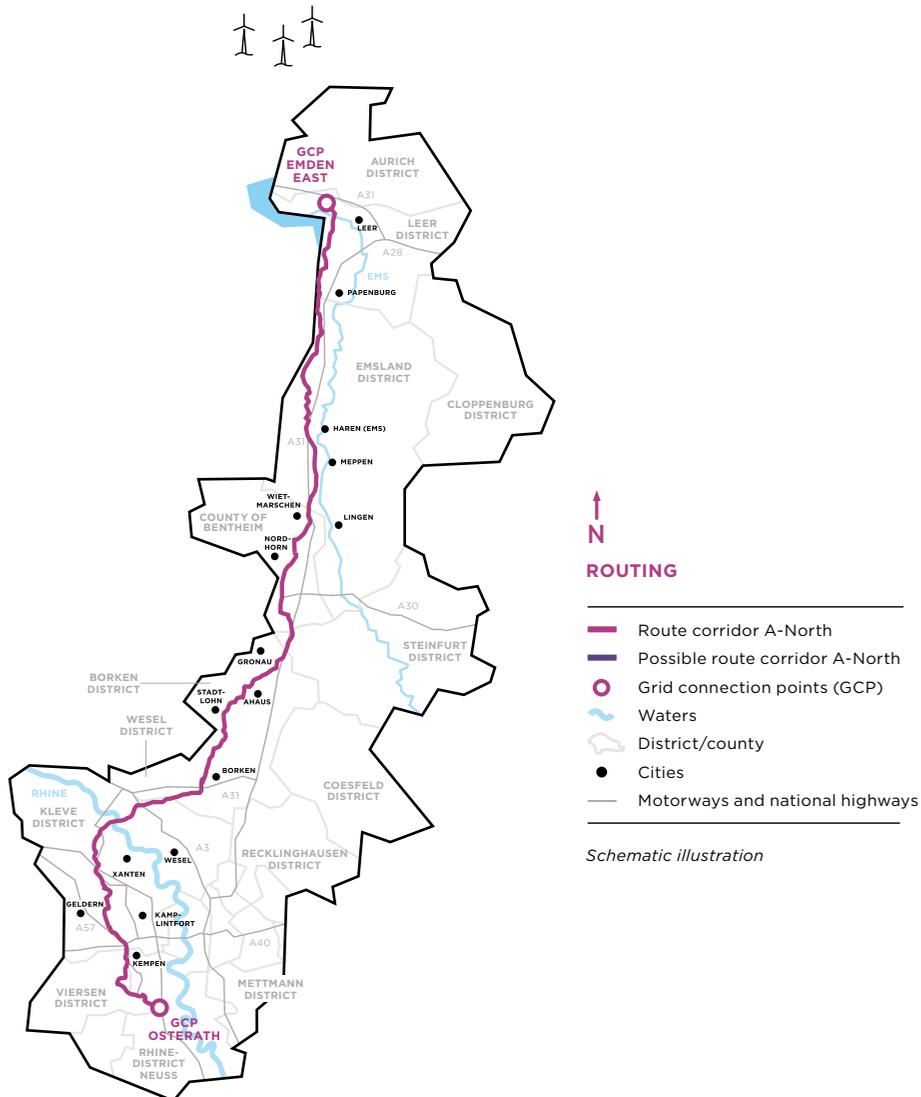
ONSHORE DC PROJECTS AND CONVERTERS

A-NORTH | BBPIG, Project 1

The A-North DC link from Emden, near the North Sea coast, to Osterrath, near Düsseldorf, is part of the “Korridor A” DC link and is legally established as Project No. 1 in the German Federal Requirement Plan Act (BBPIG). In future, Korridor A, which started in 2016, will be one of the main corridors in the German transmission grid. It will transport the steadily growing volumes of wind energy from the north to the centre and the south of Germany. This DC link connects the generation centres in the north (wind energy) and the south (photovoltaics) with conventional power plant capacities in the western part of Germany. As a DC connection, Korridor A relieves the AC grid and transports large amounts of energy over long distances with low grid losses.

Korridor A will have a length of approx. 300 kilometres and a capacity of 2 GW. This corresponds to the consumption of two million people. The commissioning of the grid is scheduled for 2027. The total project costs will amount to approximately €3.1 bn.

Expected route for corridor A-North (currently in permission phase)





**ENVIRONMENTAL AND SPECIES
PROTECTION FOR A-NORTH**

In connection with our A-North project, we have carried out most of the necessary species protection studies and mapping with regard to nature conservation and species protection and have already identified the compensation need. Suitable measures will be developed in cooperation with the responsible nature conservation authorities to protect species such as larks and partridges.

Suitable species protection measures are, for example, extensive management of grassland for open land breeders (among others, for lapwings and skylark). Amprion is in close contact with all relevant stakeholders to implement the measures quickly and efficiently.

In the A-North project area various protected species can be found. Two examples are the grey partridge and the Eurasian skylark.



ONSHORE AC PROJECTS INCLUDING SUBSTATIONS

Kruckel-Dauersberg EnLAG, Project 19

The future of energy supply requires efficient connectivity of the entire system, and the creation of a system in which renewable energy plays an increasingly important role. We are fulfilling these new requirements through our Kruckel-Dauersberg project by supplying the consumption centres in the west and south of Germany with electricity now and in the future. This project is the northern part of a new 380-kilovolt connection that runs all the way from the Ruhr area (Kruckel near Dortmund in North Rhine-Westphalia) to the Rhine-Main region (Dauersberg in Rhineland-Palatinate), replacing the previous 220-kilovolt connection. The project comprises two electric circuits with a transport capacity of 2.4 GW each, if used at maximum capacity. In individual sections 110-kilovolt circuits will be installed in addition to the new 380-kilovolt pylons, in order to minimise the impact on nature and the landscape.

We are extending and upgrading a 126 kilometres grid line along an existing route. The project is legally anchored as Project No. 19 in the Power Grid Expansion Act (EnLAG), adopted in 2009. The commissioning is currently planned for 2026 and is contributing to making our power grid even more flexible and efficient.



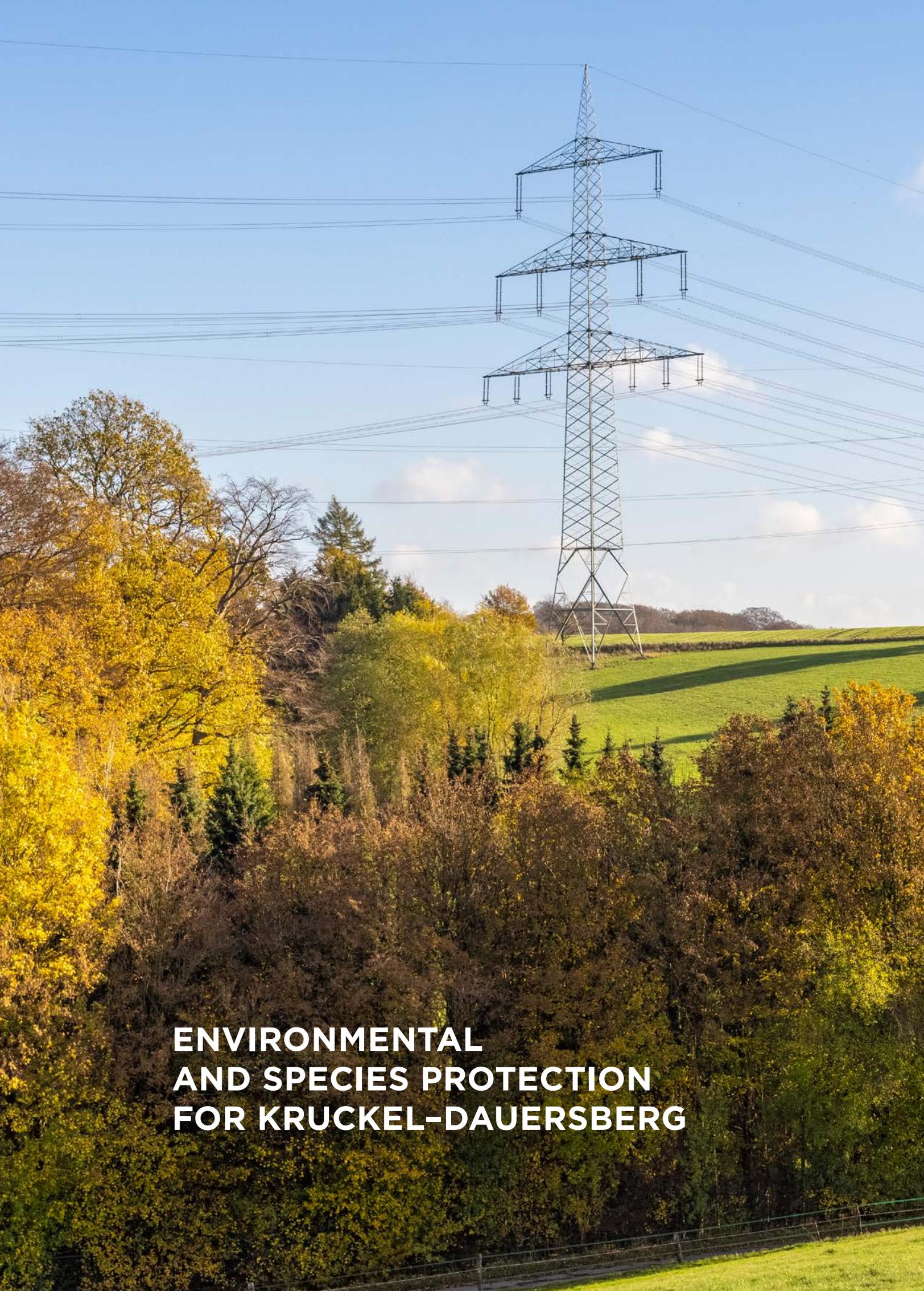


As part of the closely interconnected AC grid, this power line supplies the regional distribution grids with electricity via substations. This secures the energy supply of the Ruhr area as well as the Sauerland and Siegerland regions. Conventional power plants in the south and west of Germany are gradually being phased out and therefore the share of renewable energy is also increasing on this line as the grid between Kruckel and Dauersberg is already connected to the wind farms at the North Sea coast via existing extra-high-voltage lines.

The project is divided into six sections, which are currently in different approval and implementation phases. Two sections are already accomplished and one section will be completed soon. Two other sections are approved with the construction scheduled to start in course of this year. One section is about to get final approval. The total cost for the project is expected to amount to approximately €1.2 bn.

Project illustration
Onshore AC Projects including substations
Kruckel-Dauersberg EnLAG, Project 19





**ENVIRONMENTAL
AND SPECIES PROTECTION
FOR KRUCKEL-DAUERSBERG**

As part of our Kruckel-Dauersberg project, we are taking a variety of measures to protect vegetation, for example:

- Woody plants adjacent to the construction site, such as hedges, rows of trees and copses, are protected by tree protection measures in accordance with DIN guidelines.
- Protective fences are erected or the relevant areas are marked with flutter tape at adjacent valuable vegetation such as alluvial zones, wet meadows, near-natural bodies of water and forests as well as moors, etc.
- The topsoil of biotopes (such as fallow land, rough grassland or wet meadows) is removed according to its horizontal and local positioning, then subsequently reinstalled at the same spot and, if necessary, remodelled.



Orchid relocation

In connection with the species protection for the Kruckel-Dauersberg project, Amprion conducted orchid relocation in the project area. In the course of path construction, individual orchids were relocated along the planned operational areas.



Clubmoss

The protected clubmoss was found within the working area. The protective measure consists of removing the affected plants before starting with the construction work by removing the top layer of soil and replanting them in an adequate, undisturbed location within the forest boundary and in sufficient distance to the relevant areas.



European red wood ant

Moreover, Amprion carried out the relocation of ants in the project area. The ant colonies, in total about five million ants of the *Formica polyctena* species, were relocated, meeting the needs of the ants. The measure was carried out in optimal dry weather conditions and was completed within a few days.



Dormouse

In order to protect the reproduction and resting places of the dormouse and for the special protection of young and hibernating animals, woody plants in the areas with occurrences of dormouse are always removed outside of their reproduction period and hibernation. Furthermore, nest boxes and hiding places are offered outside the working areas. The goal is to preserve the individual creatures and their nests as well as to bridge a possible temporary loss of habitat.



IMPACT REPORT

Due to the high number of individual projects, the information regarding the Green Finance Portfolio is provided on an aggregated basis. In order to report on the environmental impact of our Eligible Assets financed by green financing instruments such as green bonds, we publish the following two metrics:

- 1 Potential annual greenhouse gas (GHG) emissions reduced/avoided
- 2 Number of households theoretically supplied with 100% renewable energy in 2022



Potential annual GHG emissions reduced/avoided (tCO₂e)

In order to integrate the increasing share of renewable energy into the energy system, we are extending and upgrading our grid infrastructure and driving forward its transformation. Germany is striving for a climate-neutral energy system by 2045. In order to achieve this objective, the German electricity system needs to be almost climate-neutral by 2035 already. The Eligible Green Assets under the Framework support this goal and enable the energy transition by connecting and transporting additional renewable energy as well as by increasing the transport efficiency of our grid.

Some 91.7% of our Green Project Portfolio is allocated to new financing, meaning these projects have not been taken into operation yet. Therefore, these projects did not deliver any CO₂ impact in 2022. Additionally, our Green Project Portfolio in general contains many onshore projects, for which an appropriate calculation of CO₂e impact at an individual project level is not possible. All projects in connection with the grid expansion intertwine to integrate more renewable energy and transport it throughout Germany. Therefore, we decided to apply a portfolio approach. We calculate the future impact of all our projects by comparing the difference of the CO₂ emissions due to power generation (tCO₂e) in 2019 and the officially estimated CO₂ emissions due to power generation (tCO₂e) in 2035 for our grid area according to the Grid Development Plan (GDP) 2035 (2021), Scenario B 2035. The year 2019 is the reference year for the calculation of the tCO₂e impact and is also the starting point of the allocation of proceeds of our green financing instruments.

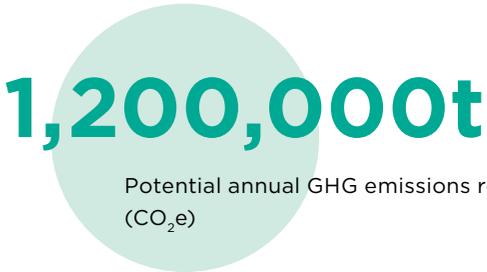
The potential reduced or avoided annual GHG emissions achieved by the allocation of proceeds for the outstanding Green Bonds 2022 (5Y) and 2022 (10Y) with a total volume of €1.8 bn to our Green Project Portfolio, amount to 1.2 million tonnes CO₂e by 2035. „√“: assurance procedures performed

To calculate this impact, we used the market simulations for Scenario B 2035 of the GDP 2035 (2021), which has been published and confirmed by the German Federal Network Agency in 2021.

In detail, the impact was calculated with the following assumptions:

- 1 Net electricity consumption in Germany in 2019 (published by the German Federal Network Agency) and 2035 (according to GDP 2035 (2021), Scenario B 2035)
- 2 Average CO₂ emissions (tCO₂e) per kWh in 2019 (published by German Federal Environment Agency) and 2035 (according to GDP 2035 (2021), Scenario B 2035)

The net electricity consumption in Germany has been multiplied by the share of Amprion's grid within the German grid to calculate the tCO₂e for Amprion's share in 2019 and 2035, respectively.



1,200,000t

Potential annual GHG emissions reduced/avoided (CO₂e)

„√“: assurance procedures performed

The difference of the tCO₂e for Amprion's share between both years 2019 and 2035 represents the potential annual avoided tCO₂e which can be realised with the development of our grid infrastructure as per 2035.

For the calculation of the impact for the outstanding green financing instruments, the total volume of investments from 2019 to 2035 has been considered and scaled down to the volume of the outstanding Green Bonds 2022 (5Y) and 2022 (10Y) 2022 with a total volume of €1.8 bn.

$$\text{Potential avoided annual GHG emissions (tCO}_2\text{e)} = \frac{\text{Potential avoided tCO}_2\text{e in the Amprion grid}}{\text{Total sum of all investments (contributing to the grid in 2035)}} \times \text{Total volume of issued green bonds}$$

„√“: assurance procedures performed

Number of households theoretically supplied with 100% renewable energy in 2022

The number of households theoretically supplied with 100% renewable energy in 2022 amounts to around 13.1 million, which is about 32% of all the households in Germany.

„√“: assurance procedures performed

It is important to note that this figure only partly refers to the proceeds of the green financing instruments as it includes all our investments which Amprion made until 2022 in order to include renewable energy sources into the grid. The figure has been calculated according to the following formula:

$$\text{Number of households theoretically supplied with 100\% renewable energy} = \frac{\text{Amount of fed-in renewable energy provided in Amprion grid area in kWh in 2022}}{\text{Average electricity consumption per household in Germany}}$$

„√“: assurance procedures performed

For the average electricity consumption per household in Germany we used the latest available reference (publication “Stromverbrauch der privaten Haushalte nach Haushaltsgrößenklasse”, dated Dec. 2022) which has been published by the German Federal Statistical Office (Statistisches Bundesamt) indicating a value of 3,190 kWh/p.a. per household in 2020. This is the most recent data available.

13,100,000

households theoretically supplied with 100% renewable energy

„√“: assurance procedures performed

ASSURANCE REPORT





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GLOSSARY

Alternating current (AC)

Alternating current has been used in power supply worldwide since the beginning of the 20th century. Its advantage: the applied voltage can be increased and decreased flexibly and with low losses by means of a transformer. This possibility is crucial for the operation of the electricity grid. It makes it relatively easy to connect power plants, including wind energy and photovoltaic plants, and consumers, such as distribution networks or electricity-intensive companies, to the transmission grid. Across the different grid levels, the alternating current can be gradually transformed up or down – so that it finally arrives at the domestic socket at 230 volts.

Asia Pacific Loan Market Association (APLMA)

APLMA's objective is to promote growth, liquidity and best practice in the syndicated loan markets in the Asia-Pacific region. It is a member-funded trade association that provides its members with access to a range of recommended form templates and guidelines to address legal and regulatory changes.

Direct current (DC)

The expansion of wind and solar plants takes place predominantly in rural areas due to the amount of land required. The centres of consumption, however, tend to be in urban areas and industrial areas. Therefore, the transport of electricity from regions of high generation to regions of high consumption is necessary – for example, of wind energy from northern Germany to the industrial centres of southern and western Germany. High-voltage direct current is particularly suitable for transmitting

large amounts of electricity over long distances. This is because transmission losses are lower than with alternating current – especially because no reactive power is needed to transport direct current.

Federal Network Agency (FNA)

The Federal Network Agency is a regulatory body that supervises, maintains and promotes competition in the grid markets (electricity, gas, railway tracks). Every two years, the FNA reviews and approves the → **Power Grid Development Plan** and its basis as produced by → **Transmission System Operators (TSOs)** and the scenario parameters for the development of electricity generation for the next ten to twenty years.

Federal Requirement Plan Act (BBPIG)

The Federal Requirement Plan Act contains grid expansion projects confirmed as necessary by the Federal Network Agency which must be implemented by the transmission system operators. They are deemed necessary for the energy industry and are urgently required. The Federal Network Agency normally carries out federal planning for these projects.

Green Bond Principles (GPB)

Green Bond Principles introduced by ICMA (International Capital Market Association) are voluntary process guidelines for issuing green bonds.

Greenhouse gas (GHG)

Greenhouse gases are gases that contribute to the greenhouse effect of a planet. They absorb part of the thermal radiation emitted by the planet's surface, which would otherwise be emitted directly into space.

Grid Development Plan (GDP)

The power grid development Plan sets out the expansion projects in the German transmission grid in the following ten years. The power grid development Plans are developed by the four transmission system operators on the basis of assumptions about the development of electricity generation and consumption, the scenario parameters. The plan was created for the first time in 2012, and is to be further developed in a two-year cycle as of 2017.

International Capital Market Association (ICMA)

ICMA is an international industry association for capital market participants based in Zurich. The focus of its membership is on European banks and financial services providers. Its mission is to promote the development of international capital and securities markets and to develop the rules, principles and recommendations that form the basis for their successful functioning.

Loan Market Association (LMA)

The Loan Market Association is an interest group whose task is to create and unify clauses and sample contract documentation. The main objective of the LMA is to improve liquidity, efficiency and transparency in the primary and secondary markets for syndicated loans in the EMEA region.

LSTA Green Loan Principles (LSTA GLP)

The Green Loan Principles were developed by an experienced LSTA working group composed of representatives from leading financial institutions active in the global syndicated loan markets. LSTA's mission is to promote a fair, orderly, efficient and growing market for corporate loans while supporting and balancing the interests of all market participants.

Overhead line

Overhead lines – also known as overhead transmission lines – are electrical lines whose conductor cables – unlike underground cables – are insulated by the surrounding air. For the foreseeable future, overhead lines will continue to be the most economical form of power transmission, particularly over long distances.

Power Grid Expansion Act (EnLAG)

The Power Grid Expansion Act regulates the expansion of power lines in the extra-high-voltage transmission grid. Attached to the law as an appendix is a project overview which contains the planned construction projects for the expansion of the transmission grids.

Substation

This is a junction in the electricity grid. Several high-voltage and extra-high-voltage transmission lines converge at a substation. In these facilities, individual electricity circuits can be selectively switched on or off. It is also possible to direct the electricity via the transformers – voltage converters – to be distributed further on grids with lower voltage.

Transmission system operator (TSO)

Transmission system operators are service companies that operate the infrastructure of the supra-regional electricity grids for the transmission of electrical energy, ensure that they are maintained and dimensioned to meet demand, and grant electricity traders/suppliers access to these grids on a non-discriminatory basis.

United Nations Sustainable Development Goals (UN SDG)

The 17 Sustainable Development Goals (SDGs) are a global plan to build a better world for people and the planet by 2030. Adopted by all United Nations member states in 2015, the SDGs are a call for action by all countries to promote prosperity while protecting the environment.

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