

# Green impact statements



Green  
Investment  
Group

## Funds

### Lifetime green impact metrics<sup>◇</sup>

		Additional lifetime green impact from investments made in 2022/23	Lifetime green impact from all investments made to date
MGREF1	Greenhouse gas emissions avoided (kt CO <sub>2</sub> e)	0	9,592
	Renewable energy generated (GWh)	0	22,138
MGREF2	Greenhouse gas emissions avoided (kt CO <sub>2</sub> e)	12,233	14,577
	Renewable energy generated (GWh)	46,894	53,494
Fund 3	Greenhouse gas emissions avoided (kt CO <sub>2</sub> e)	397	397
	Renewable energy generated (GWh)	377	377
	Energy storage capacity (MW/MWh)	399.5/613.5	399.5/613.5

### Reduction of greenhouse gas emissions

Estimated lifetime GHG emissions reduction of new/all fund investments in the reporting period	Year ended 31.03.23 kilotonnes CO <sub>2</sub> e	Year ended 31.03.22 kilotonnes CO <sub>2</sub> e
MGREF1	0 <sup>◇</sup>	0
MGREF2	12,233 <sup>◇</sup>	243
Fund 3	397 <sup>◇</sup>	0

  

Estimated lifetime GHG emissions reduction of new/all fund investments to date	Year ended 31.03.23 kilotonnes CO <sub>2</sub> e	Year ended 31.03.22 kilotonnes CO <sub>2</sub> e
MGREF1	9,592 <sup>◇</sup>	9,623
MGREF2	14,577 <sup>◇</sup>	2,065
Fund 3	397 <sup>◇</sup>	0

<sup>◇</sup> Indicator signifies where limited assurance over the preparation of the Selected Information has been obtained in accordance with the Green Reporting Criteria and with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)", issued by the International Auditing and Assurance Standards Board ("IAASB")).

## Generation of renewable energy

Estimated lifetime renewable energy generated by new/all fund investments in the reporting period	Year ended 31.03.23 GWh	Year ended 31.03.22 GWh
MGREF1	0 <sup>◇</sup>	0
MGREF2	46,894 <sup>◇</sup>	1,885
Fund 3	377 <sup>◇</sup>	0

Estimated lifetime renewable energy generated by new/all fund investments to date	Year ended 31.03.23 GWh	Year ended 31.03.22 GWh
MGREF1	22,138 <sup>◇</sup>	22,209
MGREF2	53,494 <sup>◇</sup>	5,694
Fund 3	377 <sup>◇</sup>	0

Estimated lifetime green impact of new/all fund investments to date - year on year changes	MGREF1		MGREF2	
	GHG emissions reduction kilotonnes CO <sub>2</sub> e	Renewable energy generated GWh	GHG emissions reduction kilotonnes CO <sub>2</sub> e	Renewable energy generated GWh
Year ended 31.03.22	9,623	22,209	1,352	4,105
Revised 31.03.22 following update on calculation methodology for fund share % (note 1)	9,623	22,209	2,065	5,694
New investments made in the period <sup>◇</sup>	0	0	12,233	46,894
Projects cancelled in the period	0	0	0	0
Removal of estimated remaining lifetime of assets exited in the period that were acquired as operational	0	0	0	0
Variation of forecast remaining lifetime and actuals from last year's forecast (note 2)	(31)	(72)	279	907
Year ended 31.03.23 <sup>◇</sup>	9,592	22,138	14,577	53,494

## Funds: notes to the statements

### Year-on-year changes to estimated lifetime green impact

The table above shows how the lifetime green impact at the end of 2022/23 compares to that at the end of 2021/22, and provides a breakdown of the changes.

1. Fund share percentages have been recalculated as the percentage of enterprise value owned, where equity is included on a fair value basis. This is in line with the fund share calculation applied by Macquarie Asset Management in investor reporting of private market funds.
2. Variation of lifetime impact from last year's forecast is due to a combination of yield reforecast and organic growth of portfolio companies' projects.

#### General notes to the statements

1. Macquarie GIG Renewable Energy Fund 1 (MGREF1) and Macquarie GIG Renewable Energy Fund 2 (MGREF2) both have a stake in the Gwynt y Môr offshore wind farm. Green impact is allocated to each fund with no double counting. For further information as to how we allocate green impact of investments, please see the Green Impact Reporting Criteria on our [website](#).
2. Reden Solar's lifetime impact is calculated based on estimated data due to lack of operational data; the potential variation has been determined not to be material to MGREF2's reported lifetime impact. Please refer to the Green Impact Reporting Criteria on our [website](#) for information on our materiality threshold.

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20<sup>th</sup> December 2023

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## Independent Limited Assurance Report to the Directors of UK Green Investment Bank Limited on Green Impact Data within the Progress Report in relation to Green Impact Data reported for MGRES1, MGRES2 and Fund 3

Independent Limited Assurance Report by Deloitte LLP to the Directors of UK Green Investment Bank Limited on the Selected Information within the Progress Report for the reporting period ended 31 March 2023.

### What we found: Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 March 2023, as listed below and indicated with a  $\diamond$  in the Progress Report has not been prepared, in all material respects, in accordance with the Applicable Criteria defined by the directors, which can be found on the GIG website: <https://www.greeninvestmentgroup.com/en/who-we-are/green-impact-governance.html>.

### What we looked at: scope of our work

UK Green Investment Bank Limited has engaged us to perform an independent limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)", issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement for the year ended 31 March 2023, as indicated with a  $\diamond$  in the Progress Report, is as follows:

**Green Impact Data** *individually for each fund (MGREF1, MGREF2 and Fund 3), for "Lifetime green impact from all investments made by the fund to date" and "Additional lifetime green impact from investments made by the fund in 2022/23"*

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Fund	Selected Information	Unit of measurement	Applicable Criteria	Reported amount	
<b>Additional Green Impact from investments made in 2022-23</b>					
MGREF 1	Greenhouse gas emissions avoided	kt CO <sub>2</sub> e	Self-defined “Green Impact Reporting Criteria”	0	
	Renewable energy generated	GWh		0	
MGREF 2	Greenhouse gas emissions avoided	kt CO <sub>2</sub> e		12,233	
	Renewable energy generated	GWh		46,894	
Fund 3	Greenhouse gas emissions avoided	kt CO <sub>2</sub> e		397	
	Renewable energy generated	GWh		377	
	Energy storage capacity	MW / MWh		399.5/613.5	
<b>Lifetime Green Impact from cumulative investments made to date</b>					
MGREF 1	Greenhouse gas emissions avoided	kt CO <sub>2</sub> e		Self-defined “Green Impact Reporting Criteria”	9,592
	Renewable energy generated	GWh	22,138		
MGREF 2	Greenhouse gas emissions avoided	kt CO <sub>2</sub> e	14,577		
	Renewable energy generated	GWh	53,494		
Fund 3	Greenhouse gas emissions avoided	kt CO <sub>2</sub> e	397		
	Renewable energy generated	GWh	377		
	Energy storage capacity	MW / MWh	399.5/613.5		

The Selected Information, as listed in the above table needs to be read and understood together with the Applicable Criteria set out on the GIG website: <https://www.greeninvestmentgroup.com/en/who-we-are/green-impact-governance.html>.

### Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

## **Directors' responsibilities**

The Directors are responsible for:

Selecting and establishing the Applicable Criteria.

Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.

Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.

Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.

Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

## **Our responsibilities**

We are responsible for:

Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.

Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.

Reporting our conclusion in the form of an independent limited Assurance Report to the Directors.

## **Our independence and competence**

In conducting our engagement, we complied with the independence and other ethical requirements of the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied the International Standard on Quality Management (UK) 1 ("ISQM (UK) 1"), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **What we did: key procedures**

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Performed analytical review procedures and consider the risks of material misstatement of the Selected Information.
- Through inquiries of management, obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected

Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.

- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We will not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness.
- Through inquiries of management, documented whether an external expert has been used in the preparation of the Selected Information, then evaluate the competence, capabilities and objectivity of that expert in the context of the work performed and also the appropriateness of that work as evidence.
- Inspected documents relating to the Selected Information, including board committee minutes and where applicable internal audit outputs to understand the level of management awareness and oversight of the Selected Information.
- Performed procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessment whether the data has been appropriately consolidated.
- Performed procedures over underlying data on a statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation. We reviewed information supplied by GIB clients, projects or fund managers, or collected within GIB and information supplied by the Funds, fund managers or collected from the Funds' portfolio companies. We did not carry out any work to verify that information, and nor did we carry out any work over its completeness or accuracy. We also did not conduct any site visits.
- Performed procedures over the Selected Information including assessing management's assumptions and estimates.
- Accumulated misstatements and control deficiencies identified, assessing whether material.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### **Use of our report**

This report is made solely to the Directors of UK Green Investment Bank Limited in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of UK Green Investment Bank Limited those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than UK Green Investment Bank Limited and the Directors of UK Green Investment Bank Limited, we acknowledge that the Directors of UK Green Investment Bank Limited may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UK Green Investment Bank Limited and the Directors of UK Green Investment Bank Limited as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

**Deloitte LLP**  
London, UK



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