

## Sustainability Code FONTAVIS

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### What does sustainable investment mean?

Sustainable investment means investing capital in such a way that "today's needs are met without risking that future generations will not be able to meet their own needs"<sup>1</sup>. Therefore, we use our resources along the dimensions of ecology, economy and society in such a way that our living space will remain intact in the long term. All three dimensions are closely interlinked and we may only speak of sustainability if all three dimensions are given equal weighting. The long-term aspect is a central element in the contribution of investments to sustainable development<sup>2</sup>.



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<sup>1</sup> According to the "Brundtland Commission". In 1987, the idea of sustainability was expanded by the UN World Commission on Environment and Development ("Brundtland Commission") into the guiding principle of sustainable development that is viable in the long term.

<sup>2</sup> According to "Darmstädter Definition Nachhaltiger Geldanlagen" by J. Hoffmann, G. Scherhorn and T. Busch (Eds.) (2004), Wuppertal.

## **Ecology**

Ecological sustainability means that natural resources are preserved in economic activity and are thus also available to future generations as a basis for living and doing business. It must be considered that natural resources require time for regeneration and are only available in limited quantities. Ecological sustainability, however, is not only about preventing future damage through one's current behaviour, but also about countering existing problems, e.g. climate change, with innovative solutions. For us, this means:

- Focus on facilities with the purpose of producing renewable energy, increasing efficiency in energy consumption, and modernizing and expanding the energy infrastructure according to future needs
- Use of exclusively clean technologies, i.e. no investments in non-renewable, finite energies such as nuclear energy, oil, natural gas or coal
- Promote projects to increase resource productivity and recycle used materials, such as waste heat recovery or waste recycling
- Consideration and minimization of "grey energy" according to the current state of knowledge and technology for all plants

## **Economy**

From an economic point of view, sustainability aims above all to ensure that economic activity is not merely short-term in nature but must demonstrate continuity and stability. It is not the quick wins that count, but the creation of a solid basis that also secures earnings for the future. Continuity and stability ensure that the economy can continue to generate returns in the future and that social and environmental objectives can be pursued over the long term. For us, this means:

- Involvement in commercially attractive projects that are financially self-supporting (possibly including supplementary income such as emission certificates and subsidies) and meet the requirements of the stability - liquidity - profitability target triangle
- Long-term investment horizon in real assets without short-term speculative investments or aggressive leverage and hedging strategies
- Constructive partnerships with project owners over the entire investment horizon with a holistic investment approach focused on real value creation
- Additional security for all stakeholders by concluding long-term contracts with suppliers, customers, etc.

## **Society**

Social sustainability ensures that economic activity is also geared to the needs of today's society and those of tomorrow. What is socially sustainable is what is backed by the most diverse groups in society, ensures fairness of opportunity and distribution, strengthens equality and integration, and thus makes a lasting positive contribution to increasing the quality of life of all people. For us, this means:

- Focus of investments only on those countries where employee rights, equality and legal security are guaranteed and controllable
- Close cooperation with local authorities and the population for the highest possible acceptance as well as early involvement of environmental associations in (major) projects
- Contribution to securing and diversifying the future, sustainable energy supply
- Creation of additional value added and jobs, especially in peripheral regions

Our investments are socially and environmentally sound as well as economically successful. Especially from a long-term perspective, they offer a more stable return by avoiding risks that may arise from unsustainable behaviour.