



ANEO

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ANNUAL REPORT 2022

English excerpt

Let's Create Energy

Introductory remarks from the CEO

During fall 2022, the establishment of Aneo, through a collaboration between HitecVision and TrønderEnergi (TE), was executed. Most of Aneo's employees followed from TE. The company is thus built on over 70 years of experience in the development and operation of large energy projects. In recent years, the company has developed some of the most innovative energy services in the market. With both TrønderEnergi and HitecVision as owners, Aneo is unique in combining extensive industrial experience in the energy sector with access to private and skilled capital. The result is a major Nordic renewable energy group with investment power, innovation, and execution capabilities. All of this equips Aneo with the experience and expertise to make a substantial contribution to the energy transition Europe must undergo, and we aim to be a significant contributor to this energy transition in the coming years.

Aneo aims to invest up to 20 billion Norwegian kroner in project development and acquisition of renewable energy production in the Nordics in the coming years, thus becoming a key contributor to creating new renewable energy production in Norway, the Nordics, and Europe. We are also committed to maintaining our efforts in contributing to an effective power system both through knowledge-based energy management, as well as in the electrification and energy business. Our goal is to create added value for our customers, our owners, and for society at large.

Russia's invasion of Ukraine led to an urgent need for the rest of Europe to free itself from dependence on Russian gas. This, of course, affected power markets and prices in large parts of Europe, albeit not significantly in the northern parts of Scandinavia, where most of our power production is located. At the same time, we observed that the EU leadership, with Commission President Ursula von der Leyen, remained faithful to the European Commission's strategy to facilitate a more sustainable European energy system through a large-scale energy transition, from fossil to renewable energy. A large-scale energy transition towards the goals set in the Paris Agreement can only be achieved if European societies excel in electrification, increased renewable power production, and safeguarding efficiency in production, transmission, and consumption. The value of maximizing the use of existing infrastructure, whether it's the grid or production, has become more prominent. Every decision we make at Aneo contributes to this energy transition, from major decisions on acquisitions and investments to decisions on how we believe tomorrow's weather will affect the power markets in the next 36 hours. It's all about getting the most out of our resources, whether they are financial or physical facilities.

In September 2022, the Norwegian government announced the introduction of wind power ground rent tax. If this tax is implemented as proposed, it will set back the development of new Norwegian renewable power production by many years. Many potential new power-producing facilities will not be realized, as they will not be profitable for developers with the new tax. This is far from what we need to contribute to a necessary energy transition at home.

Aneo's business model is precisely to contribute to making a necessary and sustainable energy transition profitable. However, we must acknowledge that even though what we deliver contributes to a sustainable Nordic energy system, it's not enough on its own. We must work on sustainability at all levels and in all processes. We must continue to ensure that it's always safe to go to work with us, as well as with our suppliers. We must continue to ensure that the rights of workers in all our value chains are secured. We must ensure that the way we place wind turbines and solar installations minimizes negative environmental impact and maximizes power production and positive climate impact for every square meter we borrow from nature. We must also continue to work on good cooperation with other users of the areas we use for renewable energy production.

Sustainability

Aneo, a Norwegian energy company, adheres to the core values of "Open, Brave, and Responsible." The company prioritizes transparency in its sustainability efforts, as it believes that sharing its sustainability goals is crucial for collective success. Aneo follows the Global Reporting Initiative (GRI) guidelines to create its sustainability reports, providing insights into how it works towards its sustainability objectives.

Ethics and Social Responsibility

Aneo has established a set of binding ethical rules for all employees and board members. These rules encompass prohibitions against corruption and other illegal activities, guidelines on transparency, disclosure, and whistle-blowing procedures, and the obligation to uphold international human rights as outlined in the UN Universal Declaration of Human Rights. The company conducts regular training to ensure compliance with these rules.

Health, Safety, and Environmental Concerns

Aneo systematically addresses health, safety, and environmental matters, guided by risk assessments, legal regulations, corporate policies, and customer demands. Special attention is given to issues such as ice throw risk from wind turbines and chemical management. Collaboration with occupational health services is a priority to maintain employee well-being.

Corporate Governance and Board Liability Insurance

Aneo follows the principles of corporate governance based on the Norwegian Code of Practice for Corporate Governance. The company's formal governing body is the general assembly, and a supervisory committee is appointed. Aneo also provides board members and the CEO with liability insurance covering their potential personal liability for financial loss due to their actions.

Transparency Act

Aneo has actively worked on ensuring its operations do not negatively impact society, employees, or human rights within its value chains. The company has integrated these considerations into its management system, identifying risks related to human rights and labor issues. A published report outlines their due diligence efforts in line with the Transparency Act.

People and Culture

Aneo's commitment to sustainability extends to its role as an employer. The company focuses on diversity and non-discrimination, and gender balance within its leadership team. They engage in employee surveys and have been recognized as a Great Place to Work. As of December 2022, Aneo had 268 permanent employees, with an average age of 42.3 years.

Strategy and Organization

Aneo's strategic journey includes the transformation of its corporate structure in 2022, to accommodate growth ambitions while safeguarding dividends. This restructuring led to the establishment of Aneo, with two distinct entities - TrønderEnergi and Aneo. Aneo aims to be a significant contributor to the energy transition, focusing on renewable energy production, energy management, electrification, and energy efficiency.

Organizational Changes

The corporate restructuring in 2022 resulted in significant changes in Aneo's organization, with 90 % of the employees transitioning to Aneo. The company operates through various units, such as strategic support, renewable growth, operations, energy management, marketing, communications, technology, and development.

Growth Renewables

The Department is responsible for realizing Aneo's ambition to grow renewable power production by 12 TWh by 2030. Growth is sought through the development of new land-based wind power plants and ground-mounted solar power, as well as through the acquisition of power-producing facilities and portfolios of development projects. The unit works on growth projects and processes throughout the Nordics.

Operation

The Department is responsible for the operation and maintenance of wind power production, totaling just over 2.1 TWh in 2022, from nine wind parks in Trøndelag. Early in 2022, the unit took over responsibility for the operation of Stokkfjellet and Sørmarkfjellet after their completion. The unit has locally employed technicians at the facilities and technical support services located in Trondheim. The unit is responsible for ensuring that concession conditions and regulatory requirements are met. The company aims to take over more of the operating services for facilities to which they provide services in the years to come.

Energy Management

The Department is responsible for the group's power trading operations and control center services. This includes all physical and financial power trading, power market analysis, and security services, as well as 24/7 monitoring and control of all power plants. In recent years, the group has made significant investments in this area with a new control center built for scaling, digital solutions for wind and hydropower, including forecasting and automated trading solutions developed by an internal team with expertise in artificial intelligence. In addition to services for their own power plants, the group provides services to third-party owners of wind, solar, and hydropower plants throughout the Nordics. The group has market operations in Norway, Sweden, and Finland, with an annual production of just over 6 TWh. The group aims for significant growth in these services in the Nordics in the coming years.

Market and Electrification

The Department operates in the following business areas:

Aneo Build AS is a market leader in electrification services for the construction and engineering industry. The services provided help industry reduce carbon emissions from construction sites. The company has gained a leading position in the Norwegian market by offering simple, flexible, and reliable service solutions with guaranteed uptime. The solutions are built on a broad portfolio of mobile "plug and play" charging solutions for fast-charging electric construction machinery and other equipment on construction sites. In 2022, over 20 projects have been completed in Oslo, Asker, Bærum, Trondheim, and Ålesund. In total, over 3000 charging sessions have taken place on construction sites, resulting in savings of over 300 tons of CO₂.

Aneo Mobility AS is a leader in Norway in electric vehicle charging services for residential complexes and commercial buildings. The charging service facilitates that all new passenger cars and light commercial vehicles can be zero-emission vehicles from 2025. The company delivers and operates charging solutions for various needs within residential complexes and commercial buildings. Through the service solution, customers receive a complete charging system installed with warranties, controls, and support included in the monthly price. Charging customers connect to the charging system by purchasing a charging package at a predictable monthly price. The company's portfolio has grown by 22,750 new parking spaces throughout the year.

Aneo Retail AS is a market leader in advisory and service solutions for technical infrastructure for the grocery and building materials industry. By using Aneo's services, customers achieve significant reductions in energy consumption and maintenance costs while also contributing to reducing food waste. As part of Aneo's services, refrigeration systems are renewed, and synthetic fluorinated gases are replaced with natural refrigerants. Combined with energy efficiency, Aneo, together with its customers, has contributed to a reduction of 50 MT CO₂ equivalents in 2022.

Aneo Industry and Aneo Real Estate are the latest business units in the downstream unit. Both of these business areas help companies reduce their energy costs through energy production, energy efficiency, and electrification, and contribute to making the energy transition profitable for businesses. Most of the unit's activities contribute to electrification and energy efficiency, but also to ensuring that the necessary energy transition becomes profitable for their customers, for society, and for their owners. At the same time, a significant customer portfolio is also being built in the consumption of renewable electrical power. In the long run, this portfolio can increasingly contribute to the balancing of the power system, which can provide added value for all involved in the value chain and for society as a whole.

Technology and Development

The Department is responsible for delivering efficient and value-added system support to all of the company's business areas and the support units, developing their internal technical expertise, and the company's innovation and R&D portfolio. The unit prioritizes the development of new knowledge through pilot projects that address critical challenges facing the energy industry in the decades ahead. Particular priorities include issues related to land and environmental issues, maintaining balance in the power system, and the efficient operation of renewable power production. Aneo has close collaboration with technical communities in Trondheim associated with NTNU and Sintef, with a special focus on talent development through annual summer job and apprentice/trainee programs.

In summary, Aneo is committed to sustainability, transparency, ethics, and corporate governance. The company has transformed its structure to accommodate growth in the renewable energy sector and is dedicated to making a positive impact in the energy transition.