

Sustainable development
Climate change

Our mission: helping our clients drive enterprise value by improving environmental and social performance



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Foreword

Making businesses profitable while complying with economic, social and environmental interests is more than a mere challenge for companies in the 21st century. This is in fact an imperative as well as an opportunity for their corporate social responsibility. As one of the world's leading professional services firms, Deloitte has the resources, experience and knowledge to support you in this area.

We offer access to an international network, spanning across a broad range of regulatory regimes and markets. Wherever your exposure, Deloitte member firms can combine local knowledge and experience with global market depth in order to address your challenge.

Deloitte is a multidisciplinary firm that also has the expertise to help you manage in an integrated manner complex issues on the integrated strategic, operational, financial and fiscal fronts.

Since the growing emergence of issues related to sustainable development, Deloitte has actively developed its related expertise to serve its increasing number of clients in the areas of social and societal responsibility, carbon, climate change, energy supply and demand, alternative/renewable energy, smart grid, safety, water, and other resource issues that drive environmental and social performance.

To that end, we have taken the initiative of creating an Enterprise Sustainability Group drawing on resources from every region, function and industry within the firm, both globally and locally. Working collaboratively means that we can provide solutions that benefit from the breadth and depth of our understanding, experience and varied skill-sets.

Today, Deloitte's deep expertise in those areas is internationally recognised. In 2008, for instance, we were ranked the best overall advisory firm for renewable energy – including wind, solar, wave and tidal power – by *Environmental Risk magazine* in its inaugural « Environmental Survey and Rankings 2008 ».

We not only make businesses profitable, we also make them sustainable

In order to assess the corporate social responsibility of organisations in Luxembourg, the « INDR - Institut National pour le Développement Durable » created a benchmark that Luxembourg organisations can use to appraise their level of maturity in terms of sustainable development and seek appropriate market recognition through the ESR label it grants. **The labeling process was designed by the INDR in close cooperation with Deloitte Luxembourg Corporate Responsibility Advisory team.** The choice of Deloitte for such a strategic assignment is a clear demonstration of the expertise of our firm and its people in the area of Corporate Social Responsibility.

Our sustainable development practice



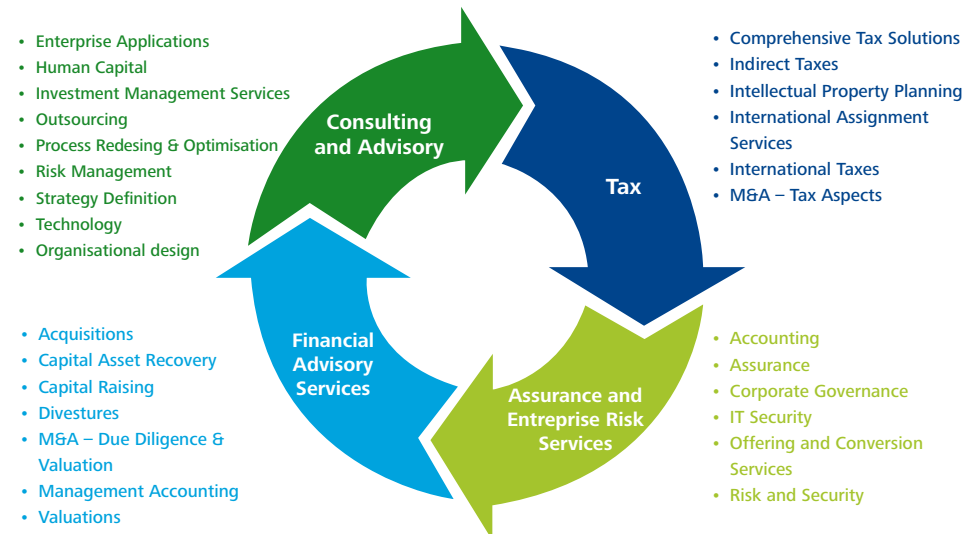
A multi-functional team providing all inclusive solutions

Business issues do not always fit neatly into one business unit. Even those which appear to be straightforward often have broader, less obvious, repercussions throughout the organisation. Deloitte approaches client issues in a multidisciplinary fashion providing down-to-earth multidisciplinary professional services on a full spectrum from audit, accounting, tax, consulting, and financial advisory.

We utilise the full resources of the firm in order to provide you with multidisciplinary teams with focused, relevant skills and experience in a broad range of areas.

Our multidisciplinary, value-driven approach enables us to deliver comprehensive solutions to the industry. Known as the « Deloitte Difference », this 360-degree strategy provides our clients with skilled expertise. Our industry practitioners coordinate these integrated services by matching functional specialties with our clients' challenges, issues, and opportunities. Whether it is sorting out a complicated tax issue, working through an intricate merger, optimising processes and performance, managing transaction risks, addressing Human Capital issues or developing new information systems and reporting, our sustainable development practice is focused on helping you to succeed.

A multidisciplinary value-driven approach to serve our clients



The Deloitte difference, an integrated service offering

Our expertise

With around 1100 professional staff and the largest consulting practice in Luxembourg, Deloitte is one of the country's most important, strongest and oldest professional services firms. Our multidisciplinary teams focus on clients operating in various industries and we take great pride in our ability to provide quality services in the fields of audit, accountancy, tax, financial advisory and consulting.

Thanks to our comprehensive local knowledge combined with our worldwide reach, we can help you take up the challenges of today and prepare those which are forecast for tomorrow.

Over the years, we have acquired through varied client projects, significant relevant experience in alternative green energy and sustainable development that we harness for our clients' benefits in areas such as:

- environment - Assistance with the definition of sustainable development strategies;
- green industry;
- pollution risk management;
- green purchase;
- water and energy management;
- fund set up (including efficient tax structuring) distribution and audit;
- renewable energy;
- technology and operations;
- corporate finance advisory and transactions service.

Speed up your business with our complete set of customised sustainable development services



Audit Services

The accuracy of financial reporting is imperative for corporate credibility with shareholders, capital markets, regulators, and other stakeholders.

Our Audit services are embedded in a continuous process that combines a thorough risk-and-needs analysis, a diagnostic process, and a client service assessment, all structured to provide a rigorous, superior audit solution to our clients. Our emphasis is on planning the use of industry-focused, high-level technology, and timely, regular communication with senior management and audit committees to discuss issues and developments in the accounting and reporting environment. Because the Audit Services professionals of Deloitte take the time to understand their clients' businesses and the sectors in which they operate, we can help identify major risks and opportunities beyond the traditional financial reporting function.

Our global network of audit and Enterprise Risk Services professionals also provide a range of audit and advisory services to assist clients in achieving their business objectives, managing their risk, the materiality and the quality of information and improving their business performance. The key audit work will include:

- the valuation of the investments held;
- review of the compliance with the investment policies and restrictions;
- audit of the income and expenses of the vehicle including acquisition costs;
- review of the annual accounts;
- tax review.

In addition, we also prepare contribution in kind reports in instances where an existing regulated structure is contributed or existing assets are contributed based on the law and the requirements of the CSSF or the prospectus.

Tax Services

Deloitte Luxembourg offers significant and broad tax experience and proactive communication of tax ideas and issues to sustainable development clients throughout the world. We understand the impact of tax issues on business, and our approach extends beyond compliance. Our tax professionals are proactive business advisors who meet the compliance issues and make the most of the opportunities available to our clients.

Tax planning, M&A and structuring

- *Corporate Tax* - leading companies are addressing new legal and regulatory requirements proactively by re-engineering tax-related internal controls across the enterprise. As a result, the tax department finds itself on center stage. Deloitte Tax professionals in Luxembourg integrate seamlessly with tax professionals in our member firms worldwide. This means you have access to a wide variety of experiences and skills, extensive industry specialisation, deep bench strength, and a global network of tax and related resources.
- *International Tax* – for all of its complexity, the area of international tax boils down to a single imperative: reduce your global effective tax rate. The rewards for doing so appear at many levels of our clients' organisations. Deloitte's International Tax team shares this focus. We offer innovative international tax savings ideas, that align with our clients' overall business objectives and the way that each operates.
- *Tax structuring* – Deloitte tax professionals have a deep expertise in structuring various types of investment vehicles answering the specificities and needs of investments in sustainable development areas. Among others, we regularly assist our clients in setting up and structuring SoParFi, SICAR,

SIF, Oil & Gas companies, by advising on the most appropriate tax efficient structure, while keeping in mind business needs and constraints.

Research & Development Tax Credit Studies

Significant R&D tax credits and incentives may be available to your company - potentially millions of Euros in tax savings, often where you would least expect them. We can design an R&D tax credit study, tailored to your company's needs, whether you need a study for a single year or for multiple years, a limited review of your research and engineering department expenses, or a full top-to-bottom review of your company's R&D tax credit position.

IP planning

Deloitte can assist in advising appropriate acquisition, holding or disposal of intellectual property rights. Luxembourg offers in this respect a wide range of opportunities. Needless to mention the already internationally known Luxembourg IP Box. Besides this, numerous other specific IP planning are available to satisfy your needs.

Indirect taxes / VAT

In a continuously changing environment, it is of a paramount importance to keep abreast of all changes and developments. Our tailor-made approach ensures that the VAT is optimised at all levels and that the VAT leakage is reduced to an absolute minimum. Our extensive experience in various markets and our numerous VAT analysis of straightforward to highly complex structures ensures a global coverage of all your VAT issues. Whether you have a specific query on the VAT impact of CO² emission allowances or you would like us to perform an in depth analysis of the VAT impact on your entire structure, we have the expertise to provide you with the best services.

Advisory and Consulting

The combination of our competencies in Strategy, Operations, Investment Management Services, Human Capital and Technology Integration enable us to support our clients wishing to comply with environment regulations / trends or to invest in the renewable energy sector with comprehensive, complementary and integrated solutions to successfully define strategies, analyse, advise, manage and execute any project from start to end. This expertise also materialises in our focused solutions, designed to meet specific challenges for our clients' different business functions.

Sustainable development strategy and governance set up

Deloitte can assist you with the definition of your sustainable development strategy along 6 key pillars:

- *strategy and CSR principles definitions* (Setting up of a charter that will best matches your corporate strategy);
- *governance* (Identification of the stakeholders and the governance that should be set up

in order to optimize their interactions in all sustainable development challenges);

- *tactical approach and action plan definition;*
- *budget planning;*
- *analysis and follow up tools;*
- *internal and external communication.*

Our Human Capital services can help you implement this strategy by offering services such as:

- change management;
- sustainability development awareness building;
- employee development;
- sustainable development governance and team set up.

Environment-compliant assessment services

We can offer a full review and assessment of your current processes complemented by benchmarking against standard practice and legal requirements and assist you with their optimisation in order to be compliant with environment regulations and trends.



Focusing on value creation

Advisory and Consulting (cont'd)

Our « green status assessment » also identifies key risk areas and includes:

- *carbon audit* (implementation of waste management procedures, etc.);
- *green IT strategy* (architecture assessment, review of processes, etc.);
- *pollution risk management* (identification sources and risks of pollution, risk impact analysis, risk matrix and dashboard set up, etc.);
- *green purchase strategy* (review of providers, stationary, goods, etc.);
- *water and energy management* (consumption analysis, identification of alternative resources, set up of action plan to reduce consumption, etc.);
- *transportation policy review* (implementation of car-pooling facilities, review of car fleet, etc.).

Specific services for the financial sector

We propose assistance to promoters and investors in the area of sustainable development covering the following topics:

Strategy and performance

- market intelligence, fundamentals and analysis of alternative energy markets;
- identification of potential new energy markets and instruments;
- investment strategy relevance assessment ;
- investment portfolio optimisation and performance improvement ;
- energy market's impact on target business model design;
- identification of financial performance drivers.

Fund set up and distribution

- prospectus definition and fund set up assistance;
- assistance and advisory on new regulatory requirements;
- registration of funds and maintenance in target markets;
- review of distribution strategies;
- optimisation of fund structures.

Corporate finance advisory

- merger & Acquisition advice;
- company valuation;
- financial modeling;
- due diligence;
- capital raising.

Our sustainable development team is supported by various tools, methodologies, benchmarks and research



Our tools allow us to perform our work in the most effective and efficient manner, and to focus adequately on the levers of value creation. Our benchmarks provide our clients with industry best practices and market information in areas relating to sustainable development.

Our leading research spans across numerous sustainable development domains and seeks to maintain our thought leadership internally for our consultants and externally for our clients. We regularly issue publications and books based on proprietary research. The results are used to adapt and improve our tools, methodologies and benchmarks.

Our Sustainable Enterprise Value Map®

Deloitte has developed a dedicated *Sustainable Enterprise Value Map® (SEVM)* in the area of sustainable development, which provides a unique view on the pervasive, evolving and interconnected nature of sustainability issues and financial shareholder value.

The SEVM is organised into three layers:

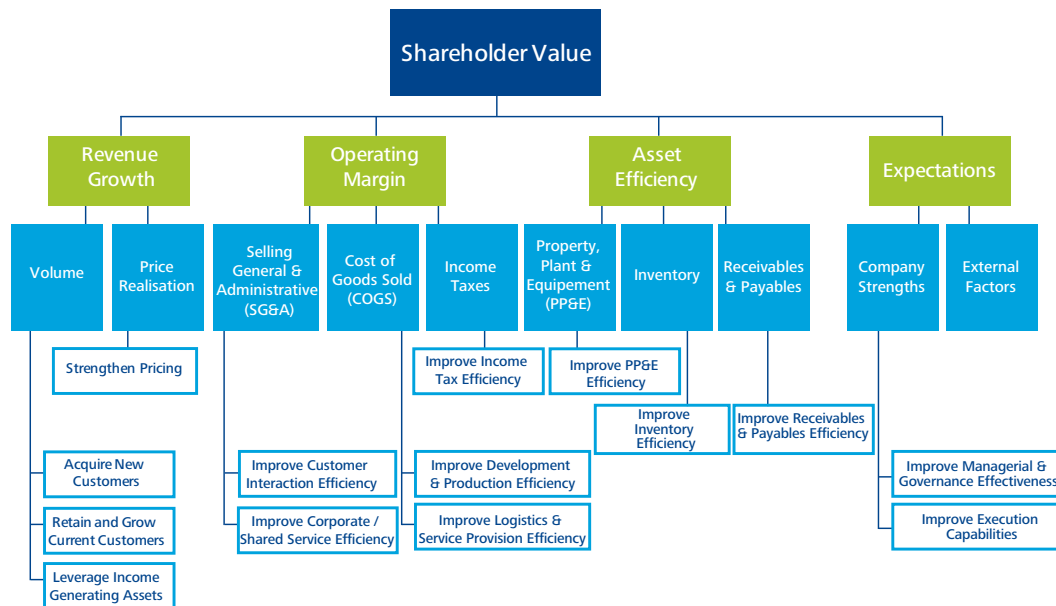
1. *What areas should you focus on?* - assists you in identifying and structuring your priorities and value drivers.
2. *What are the opportunities?* - assists you in discussing broad business opportunities and challenges, by identifying what you can do to positively impact a particular value driver.
3. *What are the tactics?* - provides you with guidance on what areas/activities you should focus on and what technical expertise should be called upon to help you prioritise and address these specific issues. In the majority of situations, a multi-disciplinary Deloitte team will be appropriate.

For each opportunity and tactic identified on the SEVM, the following supporting information / tools are provided to you, as you progress through the map layers:

- description of what that opportunity entails;
- set of diagnostic questions;
- indications of what to listen to and look for;
- indications on how Deloitte can help (e.g. related Deloitte member firm services).

In summary, this map is an innovative tool which can be used to:

- depict risks & opportunities related to sustainability;
- identify actions that create sustainable value by simultaneously generating economic and environmental/social value;
- establish linkages that improve the bottom line and;
- develop business cases to justify environmental, social and sustainability investments.



Bridging the gap between economic and environmental imperatives

Our research and commitment to sustainable development

Thought leadership, research & points of view

Our Enterprise Sustainability Group regularly produces researched thought leadership focusing on pertinent industry issues. These publications often result from our association with key industry players thus providing not only the Deloitte point of view but the wider market perspective. We also have research departments dedicated to identifying topical areas of interest, carrying out further research into them and publishing the results for distribution amongst our clients and other contacts in the industry.



Event involvement

Our practice is actively involved with the leading events in the energy industry through sponsorship arrangements, speaker participation and delegate attendance. Our involvement at these events not only gives us access to leading professionals in the field, but also develops our understanding of industry issues and risks, keeps us abreast of market developments and new technologies, and demonstrates our commitment to meaningful involvement in the industry.



Luxembourg « CSR » label

Making businesses profitable while complying with economic, social and environmental interests is more than a mere challenge for companies in the 21st century, this is in fact an imperative as well as an opportunity for their corporate social responsibility (« CSR »). The CSR is a set of values shared by a company reflecting its commitment to promote a true culture of sustainable development and deliver a strong message: « the development which answers the present needs, should not compromise the capacity of future generations to answer their own needs ».

In order to assess the CSR of organisations in Luxembourg, the INDR created a benchmark that Luxembourg organisations can use to appraise their level of maturity in terms of sustainable development and seek appropriate market recognition through the ESR label it grants. The labeling process was designed by the INDR in close cooperation with Deloitte Luxembourg Corporate Responsibility Advisory team. The choice of Deloitte for such a strategic assignment is a clear demonstration of the expertise of our firm and its people in the area of Corporate Social Responsibility.



www.deloitte.lu www.indr.lu

The CSR is promoted by the INDR and realised in collaboration with Deloitte.
The INDR (Institut National pour le Développement Durable) was created by the UEL (Union des Entreprises Luxembourgeoises).

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About Deloitte Touche Tohmatsu:

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in 140 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's 165,000 professionals are committed to becoming the standard of excellence. Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities. Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.