

# LATIN AMERICAN PRIVATE CAPITAL & ESG DEAL CASE



DATE OF INVESTMENT **June 2016**

AMOUNT **USD525m**

PARTICIPATION STAKE **100%**

**actis**

## COMPANY NAME

**Atlas Renewable Energy**

<https://www.atlasrenewableenergy.com/>

**INDUSTRY/SECTOR** Renewable Energy

**LOCATION(S)** Latin America

## DESCRIPTION

*Atlas Renewable Energy is an energy generation company that develops, builds and operates renewable energy projects with long-term contracts across the Americas. The current company portfolio consists of 2,268 MW of contracted projects in the development, construction and operational stages.*

## INVESTOR PROFILE

*Actis is a leading global investor in sustainable infrastructure. Founded in 2004, the investor has raised USD24b since inception and operates with sustainability at its core. The investor believes Values Drive Value through deep operational experience, on-the-ground presence and a value-led approach. Actis delivers competitive returns for its institutional investors and measurable positive impact for the countries, cities and communities in which it invests. Across Latin America, the firm has committed over USD3b in investments to date.*

**FUND NAME** Actis Energy Fund IV

**FUND SIZE** USD2.75b

**TOTAL AUM** USD15b

Atlas Renewable Energy manages 2,268 MW of contracted solar PV projects in Brazil, Mexico, Uruguay and Chile. By providing over 2.1 million households with clean energy, the company has prevented the emission of over 1.1 million tons of CO<sub>2</sub> since 2017. Atlas partners with local communities to foster quality education, gender equality and sustainable living. The “We Are All Part of the Same Energy” initiative upskills local women in communities in close proximity to Atlas’ solar projects by partnering with local governments and institutions to teach STEM skills. During construction, Atlas mobilizes its contractors to hire local women, increasing female representation to 15-17%, compared to an average of 2% in the industry. To date, Atlas has trained close to 1,000 women during the construction of four solar projects. At the corporate level, initiatives implemented by Atlas have increased female participation from 11% to 38% in just four years.

## OPPORTUNITY

The Inter-American Development Bank estimates that electricity requirements in Latin America will increase more than 91% through 2040. Renewables play a key role in the region’s ongoing energy transformation, driven by a combination of government efforts and greater pressure from private companies to reduce emissions and meet the Paris Climate Accords. According to data from the International Energy Agency, the region’s solar and wind electricity generation grew an average of 47% per year between 2010 and 2018 — more than any other type of energy source.

In April 2016, US-based renewable energy company SunEdison filed for Chapter 11 bankruptcy protection, facing USD16.1b in liabilities after aggressive debt-fueled acquisitions. As part of its restructuring plan, SunEdison decided to sell its assets in Latin America, which consisted of a portfolio of 578 MW of contracted projects in operation and 1,000 MW of early-stage developments. At the time, Actis sought electricity generation and distribution assets in the region for the deployment of its fourth energy fund, which had just closed with USD2.75b in commitments. The firm saw an opportunity to bundle SunEdison’s high-quality solar power assets into a single platform to benefit from economies of scale.

## EXECUTION

Following the successful acquisition of SunEdison’s assets in early 2017, Actis rolled the projects into a newly created platform called Atlas Renewable Energy. Actis committed USD525m to expand the platform into a leading power generation company in Latin America. Atlas’ value proposition consists of both partnering with local developers for new projects and developing its own proprietary pipeline with a focus on top-tier solar PV projects in Brazil, Mexico, Uruguay and Chile. In addition, Atlas partners with local communities to ensure project sustainability through initiatives that benefit residents in the long term.

# LATIN AMERICAN PRIVATE CAPITAL & ESG DEAL CASE

Atlas now manages 2,268 MW of contracted projects and employs over 140 people, compared to 578 MW and 40 employees at the time of investment. Since its founding in 2017, Atlas has provided power to nearly 2.1 million households and prevented the emission of over 1.1 million tons of CO<sub>2</sub>. The company aims to grow its capacity by an additional 5 GW in the coming years.

## ESG IN FOCUS

Atlas partners with local communities to create projects that address their specific needs and challenges. Initiatives focus on three pillars of sustainability: bolstering quality education, advocating for gender equality and enhancing sustainable living. Recent initiatives in Brazil include apiculture projects, donations of seedlings for plantations of native fruit trees and the creation of environmental education centers and plant nurseries. In Mexico, Atlas built digital classrooms in eight schools and a public library, and the company also implemented a conservation initiative to protect 1,229 hectares of forest and grassland.

Atlas also aims to reduce gender inequalities and promote inclusion in a historically male-dominated industry. In 2020, the company established its Women in Workforce Program, "We Are All Part of the Same Energy," to boost permanent technical skills among local women and improve access to employment and leadership positions in construction. The program is funded in collaboration with the IDB and has trained nearly 1,000 women from nearby communities for qualified positions in electricity, mechanics, health, safety and environmental management.

The company has also implemented additional measures to increase female employee retention, such as providing childcare, offering educational benefits for children of construction workers, implementing harassment complaint mechanisms and coordinating committees that provide a safe space to discuss improvements for the Women in Workforce Program. In addition, the company has specific gender and diversity targets for each of its projects. As a result of these measures, Atlas has been able to reach between 15% and 17% of female representation in the construction of its solar plants, compared to an average of 2% across the industry.

At the corporate level, Atlas provides its staff with unconscious bias training, focused particularly on gender distinctions. In addition, the company has implemented a blind CV policy, where recruiters are required to conceal applicants' demographic details to avoid biases during the selection process. Atlas also requires at least one female candidate on every recruitment shortlist, and all policies and recruitment processes use gender-neutral language. These efforts have increased the company's female representation at the corporate level to 38%, up from 11% in 2017.

