



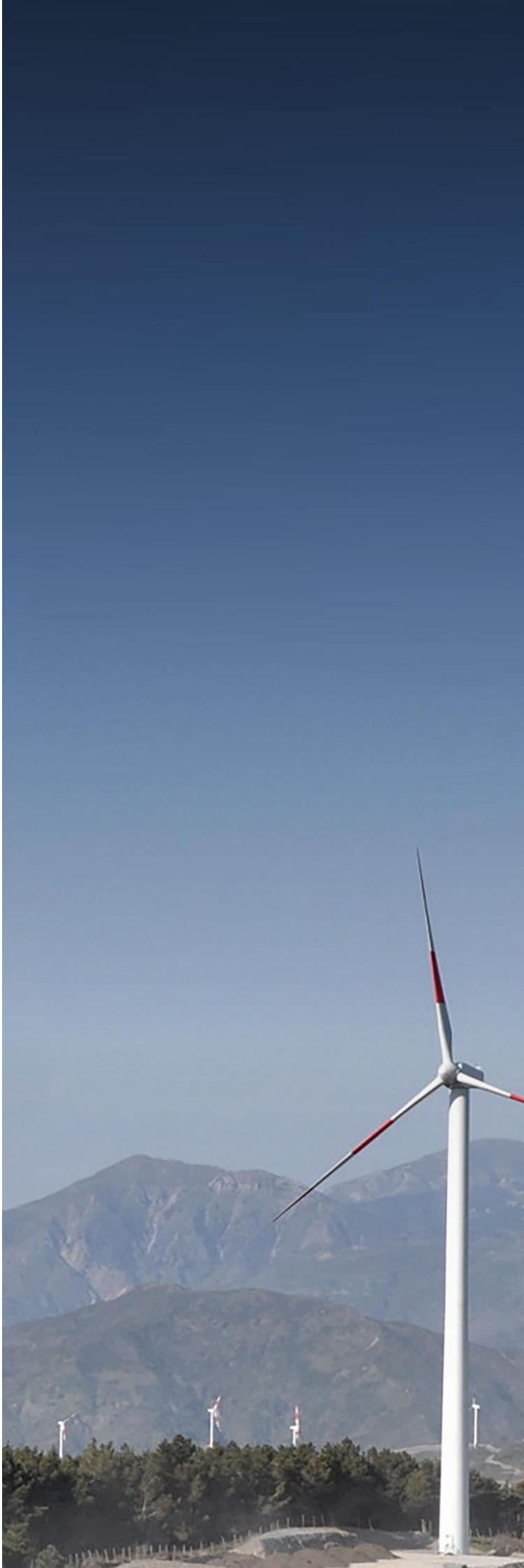
2018 Environmental, Social and Governance Report

Alternative energy
investment
Absolute Returns



Glennmont
Partners is
one of Europe's
largest fund
managers focusing
exclusively on
investment
in clean energy
infrastructure





1.	Foreword: ESG and Glennmont Partners	4
2.	An Introduction to Glennmont Partners	5
3.	Reporting against the UN SDGs	7
3.1.	Glennmont UN SDG Highlights	8
4.	Environmental	9
4.1.	Gross Energy Production	9
4.2.	Gross CO ₂ Offsets	10
4.3.	Water Usage	12
5.	Working with our Communities	13
5.1.	Community Funding	13
5.2.	Community Activity Examples	14
6.	Human Capital	16
6.1.	Labour Relations	16
6.2.	Health and Safety Indicators	16
6.3.	Job Creation	17
7.	Lifecycle Management	18
7.1.	Impact Assessments and Inspections	18
7.2.	Environmental and Social Responsibility Indicators	19
8.	Leadership and Governance	21
8.1.	Risk Management	21
8.2.	Compliance	21
8.3.	Membership Organisations	23
8.4.	Clean Energy Industry Contributions	24
9.	Key ESG Contacts	26



1. Sleaford

Sleford is a 38.5 MWe straw-fired Biomass plant in the UK

2. Serra Del Vento

Serra del Vento is a 26.4 MW wind farm in Italy, and part of the SER portfolio

3. Phenix

Phenix is a 24.2 MWp solar farm in Italy



+€1.8_{bn}

Glennmont has raised over €1.8bn towards investing in clean energy

+870_{MW}

Glennmont has invested in assets with an installed capacity of over 870 MW

26_{Investments}

Glennmont has made 26 investments across Europe

46_{Sites}

Glennmont's investments have been based in 46 different sites



1 Foreword: ESG and Glennmont Partners

ESG has always been critical to Glennmont Partners' ambitions as a company. We consider it throughout our investment, asset management and divestment processes, and believe it to be crucial for delivering long-term sustainable value.

In part this is because our clean energy infrastructure assets have long lifespans of 25 years or more. Their long lifespans mean that the investment appraisal and asset management processes must consider all opportunities and risks to ensure that value is maintained over the project's life. ESG considerations are among these opportunities and risks.

Glennmont has actively reported on ESG for many years: in our quarterly and annual accounts, at our annual AGM with investors, in our annual report, and through ad hoc and bespoke requests. However, in line with an aim to advance our ESG activities year-on-year, we have now redesigned our annual ESG report to expand its scope considerably. This report sets out Glennmont's work on ESG across all funds under management by Glennmont in 2018.

First, Glennmont has started to map its ESG activities against the UN ("UN") Sustainable Development Goals ("SDGs") in section 3. This is intended to help investors chart the impact of their capital over the long-term.

Second, Glennmont is now reporting on a host of KPIs previously not reported to investors in an ESG context. Glennmont has added new and important quantitative information for core items such as clean energy produced, water usage, and total community funding in sections 4.1., 4.3., and 5.1. respectively. We have also surveyed our asset contractors to come

up with the qualitative ESG activities set out in sections 5.2.

Glennmont continues to be an active participant in clean energy industry and responsible investment advocacy: we participate in a wide range of ESG-related groups and initiatives who have climate change as one of their core concerns, as set out in section 8.3.; our team has both partaken in and hosted a wide variety of clean energy events, listed in full in section 8.4.; and we have signed multiple statements on climate change, also in section 8.4.

It is Glennmont's intention to release, for the year-end 2019 ESG report, additional KPIs to those which are in this report, such as carbon offset objectives based on energy production targets, and develop further those KPIs already contained in this report.

We hope that you will enjoy reading this report and get a feel of the importance that the energy transition can make to our overall future environment.

Joost Bergsma
CEO and Managing Partner

2 An Introduction to Glennmont Partners

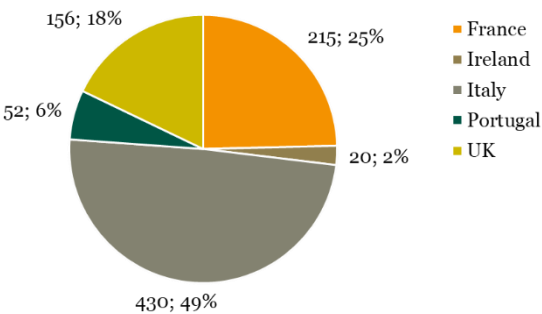
Glennmont is one of Europe’s largest fund managers focusing exclusively on investment in clean energy infrastructure.

We raise long-term capital to invest in clean energy projects, such as wind farms, biomass power stations, and solar parks. Formerly BNP Paribas Clean Energy Partners, the team has been working together since 2007, and has established a reputation for making intelligent, long-term investments that deliver absolute returns. Glennmont has raised over €1.8 billion towards investing in clean energy, and has investments with a total enterprise value greater than €2.0 billion. Investments have been made in France, Ireland, Italy, Portugal, and the UK - with a cumulative installed capacity of approximately 875 MW across 26 investments and 46 sites. Of these sites, three are currently under construction and the rest are operational.

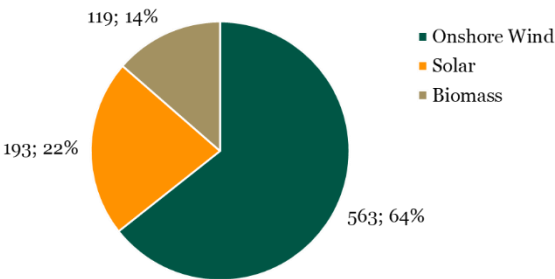
We are a specialist, international team of nearly thirty people based in London. The team has extensive experience in the development, construction and operation of clean energy generation projects. Across our service providers, the number of people working on Glennmont’s investments is an order of magnitude greater.

Over 2018, Glennmont raised capital towards Fund III, an equity fund, and REBS, a debt fund. Concomitantly, Glennmont has been divesting its Fund I, as well as managing the assets in Fund I and Fund II to maintain and add value.

Capacity (MW) by country



Capacity (MW) by technology



1. Serenissima

Serenissima is a 48 MW solar farm in Italy

2. Combine harvester

Straw is harvested for Sleaford, a 38.5 MWe straw-fired biomass plant in the UK

3. Sleaford

Sleaford is a 38.5 MWe straw-fired biomass plant in the UK



3 Reporting against the UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015, calls for action on 17 SDGs, composed of 169 specific targets. The UN Principles for Responsible Investment in turn has recognised that the SDGs represent the largest, globally-agreed, sustainability framework and that PRI signatories should align their responsible investment practices with the SDGs; using the SDGs as a proxy for society's broader sustainable objectives.

Glennmont has selected the four goals which are most relevant to our work, and will report on our work towards them on an annual basis. The four goals, as outlined below, are Goal 7, Affordable and Clean Energy; Goal 8, Decent Work and Economic Growth; Goal 12, Responsible Consumption and Production; and Goal 13, Climate Action. Glennmont's work affects other goals as well, but we have chosen to map our activities against these four in particular, so as to avoid a lack of focus.

Glennmont's four target Goals



The UN has produced targets for each SDG to check progress in 2030.
Glennmont has selected the following targets as especially relevant to our work:

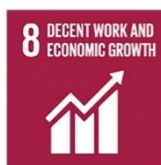


Goal 7 - Targets

By 2030, ensure universal access to affordable, reliable and modern energy services

By 2030, increase substantially the share of renewable energy in the global energy mix

By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology



Goal 8 - Targets

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment



Goal 12 - Targets

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle



Goal 13 - Targets

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

3.1 Glennmont's UN SDG Highlights

Glennmont has contributed towards the UN SDGs in a variety of ways over 2018. We have been able to measure or estimate some of the key ones. There are further contributions listed throughout this report.

Fund I, Fund II and Fund III			
Goal 7 Affordable and Clean Energy	Goal 8 Decent Work and Economic Growth	Goal 12 Responsible Consumption and Production	Goal 13 Climate Action
1.4k GWh produced over 2018	490 jobs created over 2018	176 children visited our assets on school visits	430k gross CO ₂ tonnes offset over 2018
Four seminars hosted, in four different countries, on the clean energy transition	Only one red traffic light in H&S indicators across assets	40k m ³ water used during biomass energy production over the year	Three important climate change statements signed

4 Environmental

4.1 Gross Energy Production

Over 2018, Glennmont has produced 1,441 GWh of clean energy from its solar PV, wind and bioenergy assets.

	2018	Since inception
Fund	Clean energy produced over 2018 (GWh)	Clean energy produced to date (GWh)
Fund I	675	5,013
Fund II	767	2,551
Fund III	0	0
Total	1,441	7,565

	2018	Since inception
Technology	Clean energy produced over 2018 (GWh)	Clean energy produced to date (GWh)
Solar PV	236	1,684
Onshore Wind	1,034	4,742
Biomass	171	1,138
Total	1,441	7,565

Margam A photograph of Margam's boiler room, taken by the photographer Siobhan Lock. The photograph was the winner in the Young Future Technology category of 2018's EEF Photography Competition. Margam is a 40 MWe biomass plant in the UK. It is expected to produce enough electricity to supply around 78,000 households a year (based on a 2017 temperature-corrected electricity consumption per household of 3,828 kWh in the UK, source: BEIS).



4.2 Gross CO₂ Offsets

The 2015 Paris climate conference set a goal of limiting global warming to 1.5 degrees Celsius, as opposed to the previous target of 2.0 degrees Celsius. The recent Intergovernmental Panel on Climate Change, commissioned as part of the 2015 Paris climate agreement, reported in October 2018 that this target is not currently expected to be met. They warned that ‘rapid, far-reaching and unprecedented changes in all aspects of society’ were required to limit global warming to 1.5 degrees.

Fund I investments – Gross CO₂ offsets

2018

221,325

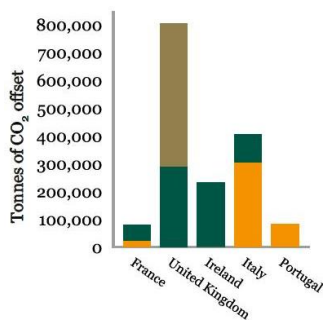
Tonnes of CO₂ offset

Portfolio to date

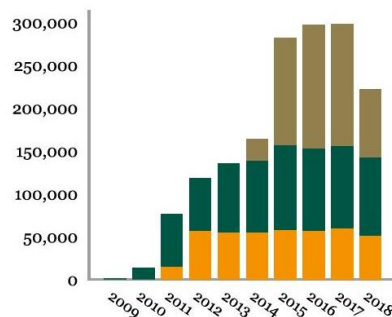
1,605,787

Tonnes of CO₂ offset

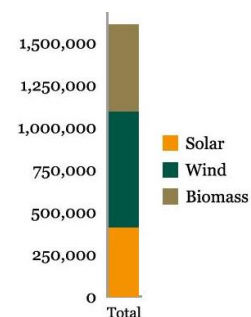
CO₂ offset by country



CO₂ offset by year



CO₂ offset by technology



Glennmont’s investments primarily contribute to these ‘changes’ in society by improving the share of clean energy generation in global energy production and, consequently, offsetting CO₂ emissions which may otherwise have been emitted through a less environmentally-friendly source, such as coal or natural gas. The metrics below set out the gross CO₂ offset by technology and Fund. Glennmont has offset approximately 2,400 tonnes of CO₂ per €1mn raised across Fund I and Fund II. The 430,081 tonnes of total gross CO₂ offset in 2018 across Fund I and Fund II is equivalent to the removal of c. 90,000 cars from the roads for one year, based on the United States EPA’s GHG equivalencies calculator.

Glennmont monitors and manages its CO₂ emission offset using indicative estimates based on the International Energy Agency report "CO₂ Emissions From Fuel Combustion – Highlights - 2015". The CO₂/kWh value for each country is calculated from the International Energy Agency (“IEA”) Statistics Report using the rolling average of the latest three years data for each year reported. The CO₂ offset for the portfolio is calculated using the kWh generated values for each country multiplied by the CO₂/kWh offset for the corresponding country and year.

Fund II investments – Gross CO₂ offsets

2018

208,756

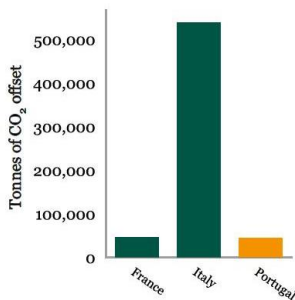
Tonnes of CO₂ offset

Portfolio to date

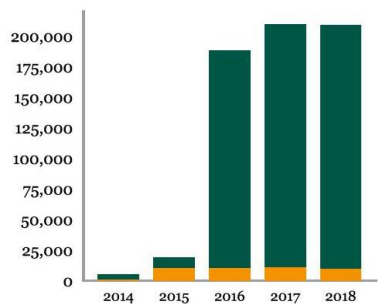
630,407

Tonnes of CO₂ offset

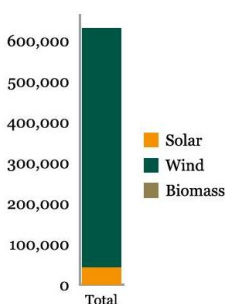
CO₂ offset by country



CO₂ offset by year



CO₂ offset by technology



4.3 Water Usage

The water consumption of Glennmont's assets varies substantially according to the technology; the water usage of Glennmont's onshore wind projects is relatively minimal compared to the water consumption of solar PV investments, which is itself minor in comparison to the water consumption of biomass.

Water usage is key to the energy generation of biomass plants: the water is first heated in the boiler to produce high pressure steam (powered by feedstock combustion), the steam produced from this process is then fed into a turbine which then generates electricity through an electrical generator. The steam is then condensed and fed back to the boiler to close the steam cycle loop. The electricity is subsequently exported to the national grid. Part of the heat produced can also be exported to a local district heating network or to an industrial user. Water also has other plant uses, though they are less material – for instance, it is used by staff for domestic purposes.

Process water discharged from the plant goes through a sedimentation/neutralisation basin where the water is treated prior to discharging to the local water effluent network. In addition to this, the water is sampled frequently to ensure it complies with the site trade effluent permit or consent.

Glennmont is not targeting a reduction in biomass water usage, given that it is essential to the workings of biomass plants. Glennmont will, however, from the 2018 year-end report onwards, release the annual water consumption for the previous three years, in order to evidence a flat level of water consumption, and, where it increases or decreases significantly, to provide an explanation of the reason.

We will only provide water consumption figures for biomass assets that have been operational for the previous year. The figures are the total water use of the plant, and therefore include amounts used for aspects such as the site's domestic consumption. Approximated figures will be used where anomalous figures occur.

For solar PV plants, water consumption is important for routine maintenance. Water is used to clean the solar PV modules, as a minimum on an annual basis, which helps to maintain plant performance. The water is sprayed at high pressure which results in a water usage per MW of around 6m³ per year (based on our largest Italian solar PV plant). Solar PV modules with anti-soiling coatings are increasingly widespread, which may help to reduce their water consumption.

	Fund I Biomass	Total
2018 water consumption (m ³)	41,557	41,557
Water consumption over previous three years (m ³)	131,219	131,219
Average water consumption over previous three years (m ³)	43,740	43,740

5 Working with our Communities

Glennmont is acutely aware of the distributed nature of clean energy power projects and the importance of embedding them within local communities. Glennmont, as an energy provider, has committed to being an active member of local communities, and supporting community activities is a core part of our ESG strategy.

Regular engagement takes place with the local stakeholders of our assets. It is focused on creating awareness of the importance of clean energy, creation of employment opportunities and promoting an understanding of the technical workings of clean energy technologies.

5.1 Community Funding

Several of Glennmont's assets provide funding for local groups and initiatives

Glennmont is committing to showing on annual basis the amount distributed in the previous year from assets owned at year-end.

	Fund I	Fund II	Total
Cash distribution in 2018	€43,000	€2,200,000	€2,243,000
Number of events, interactions or projects	14	11	25

1. Saint George archway

Lago Arancia, an asset in the SER portfolio, has helped to fund the restoration of the ancient Saint George archway in Sambuca di Sicilia



5.2 Community Activity Examples

Fund I Projects

1 Sleaford sponsorship of award at North Kesteven Community Awards

Sleaford Renewable Energy Pant sponsored the Contribution to a Better Environment Award during the 2018 Community Awards by the North Kesteven District Council. The award was for a group, club, business or individual whose actions have had a positive impact on the environment, locally or in a broader way. The winner was Tracey Stevenson, who runs Hedgelina's Home for Hogs, a rescue centre for hedgehogs.

2 Sleaford school engagement through the Live Earth Competition

Pupils from four local primary schools learnt about the global impacts of climate change and to local leaders about the need for change. The Live Earth Competition is organised by Global Sleaford (an informal group of friends working to raise awareness of climate change), and supported by North Kesteven District Council, Sleaford Renewable Energy Plant and Christian Aid. Teachers from the schools came to Sleaford for a site visit to see how low carbon electricity is generated and supplied to local buildings.

3 Sleaford local heating network

Sleaford supplies heat to a local heating network consisting of five off-takers free of charge throughout the year: a primary school, swimming pool, sports hall, football club and the municipal council offices.

4 Sleaford site visits

Various local groups including Harmston Young Farmers, Hill Holt Wood Education and Training Centre, Grantham College, Harmston Young Farmers Club, Boston U3A and the Sleaford Rotary Club visited the asset over 2018. The visitors numbered 78 in total (85 including Live Earth visitors).

5 Gortahile local endurance club races

The local endurance club has raced through Gortahile annually since 2015.

6 Gruig school visits

Local school visits are held annually. In 2018 there were three school visits, two from Ballymena, and one from Loughguile, totalling 125 children.

7 Gruig sponsorship of the local village's camogie team jersey

Gruig sponsored the local village's camogie team jersey from 2015 until 2018.

Fund II Projects

1 SER school visits

28 students of a nearby school visited Lago Arancio in April 2018, and 23 students of a nearby school visited Nebrodi in May 2018.

2 SER employee safety

Safety barriers and signs were installed to improve employee safety at several SER assets - Lago Arancio, Nebrodi, Alcantara and Rocca Ficuzza – during November and December 2018.

3 SER building utilisation

SER is evaluating, with a Scout group, what works are required for them to use a building at one of its assets.

4 SER restoration of the ancient Saint George archway

SER's Lago Arancia asset has helped to fund the restoration of the ancient Saint George archway in Sambuca di Sicilia. The works started in April 2018 and were concluded in September 2018.

5 SER maintenance of the local environment

In Floresta, SER's Nebrodi asset has helped to fund the maintenance of the walls of the city centre, and supplied electrical components for public lighting.

In Montalbano Elicona, the same asset has helped to fund the maintenance of roads, public lighting and the public aqueduct.

Elsewhere, at Francavilla di Sicilia, green areas have been restored in the city centre, as well as signs installed.

1. Foal at Coruche

A foal was born in January 2019 at Coruche, a 9.6 MW solar plant in Portugal



6 Human Capital

6.1 Labour Relations

Labour relations
are important to
Glennmont's work

During the development or due diligence phase, the deal team makes sure that potential projects comply with the local regulatory requirements and permitting, as well as estimating the employment impact of each project.

During the construction and operational phase, Glennmont endeavours to ensure its own, as well as its service providers', compliance with health and safety policy and procedures, as well as jurisdictional employment regulations, and works to optimise relationships with local stakeholders (neighbours, local communities, provincial governments and councils).

If our service providers have labour issues, where relevant, Glennmont aims to encourage understanding and dialogue between service providers and their employees, as well as other stakeholders.

6.2 Health and Safety Indicators

Glennmont actively manages the setting and monitoring of Health and Safety standards across its assets. We are striving to further improve our Health and Safety activities and reach zero incidents in our plants across the EU each year.

Fund I	2018				
Plant	Q1	Q2	Q3	Q4	Comment
CEF Solaire "Batilly"	●	●	●	●	<ul style="list-style-type: none"> Gortahile Q4: 1) accidental restart of turbine & no local control 2) entering turbine whilst running 3) break in and theft of Nordex scrap material
CEF Solaire "Douai"	●	●	●	●	
CEF Solaire "Flins"	●	●	●	●	
CEF Solaire "Maubeuge"	●	●	●	●	
CEF Solaire "Sandouville"	●	●	●	●	<ul style="list-style-type: none"> Gruig Q4: contractor booked on site but job card not put into progress with RES control centre. Initiafy Profile Inadequate Information.
Enersol-Serenissima	●	●	●	●	
Eol Team	●	●	●	●	<ul style="list-style-type: none"> Phenix Q4: presence of wolves on the site during night
Gortahile	●	●	●	●	
Gruig	●	●	●	●	<ul style="list-style-type: none"> Sleaford Q2: slight cut to an operator's finger on bale cutter blade
Megasol	●	●	●	●	
Noyales	●	●	●	●	<ul style="list-style-type: none"> Todmorden Moor Q1: contractors working on the plant were discovered to be sub-contracted (thus had not been inducted) and documents not verifiable
Phenix	●	●	●	●	
Piano San Biagio	●	●	●	●	<ul style="list-style-type: none"> Todmorden Moor Q3: blade bolt reported sheared during torque check. Main site entrance gate missing combination padlock.
Sleaford	●	●	●	●	
Sol Cativante V	●	●	●	●	<ul style="list-style-type: none"> Todmorden Moor Q4: trespassers noticed by CCTV monitor. Fridge found to be faulty by asset management and replaced.
Todmorden Moor	●	●	●	●	
Tramontane "Bois Ballays"	●	●	●	●	Methodology <ul style="list-style-type: none"> A red light indicates that there was an incident on the site. A yellow light indicates that there was an issue at the site. A green light indicates that there were no near misses or accidents on the site during that quarter.
Tramontane "Coudray"	●	●	●	●	
Tramontane "Mazeray"	●	●	●	●	

Fund II	2018				
Plant	Q1	Q2	Q3	Q4	Comment
Alcantara Nord	●	●	●	●	<ul style="list-style-type: none"> Alcantara Sud Q1-Q3: HSSE warning from Gamesa due to damage to the main frames of two turbines as a consequence of wear and tear. The warning was communicated in Q1 2018. One WTG was stopped for lack of spare parts.
Alcantara Sud	●	●	●	●	
Arrouaise	●	●	●	●	
Brie	●	●	●	●	Methodology <ul style="list-style-type: none"> A red light indicates that there was an incident on the site. A yellow light indicates that there was an issue at the site. A green light indicates that there were no near misses or accidents on the site during that quarter.
Galerie Frencq	●	●	●	●	
Galerie Fresnoy Folny	●	●	●	●	
Lago Arancio	●	●	●	●	
Lisbon Coruche	●	●	●	●	
Lisbon Seixal	●	●	●	●	
Lucana	●	●	●	●	
Nebrodi Est	●	●	●	●	
Nebrodi Nord	●	●	●	●	
Nebrodi Ovest	●	●	●	●	
Renneville	●	●	●	●	
Rocca Ficuzza	●	●	●	●	
Saint Quentin Nord	●	●	●	●	
Serra del Vento Nord	●	●	●	●	
Serra del Vento Sud	●	●	●	●	
Sol Cativante VII (Apra4)	●	●	●	●	
Sourde de la Sensee	●	●	●	●	
SS Alcantara Francavilla	●	●	●	●	
SS Lago Arancio	●	●	●	●	
SS Nebrodi Ucria	●	●	●	●	
SS Rocca Ficuzza	●	●	●	●	
SS Sant'Agata Accadia	●	●	●	●	
Taverna la Storta Nord	●	●	●	●	
Taverna la Storta Sud	●	●	●	●	
Vulture	●	●	●	●	

6.3 Job Creation

Glennmont's assets are responsible for the creation of jobs, during their construction, operating and decommissioning stages, with the first and last phase being the most labour intensive.

The figures below are an estimate of the jobs created as a result of the assets that Glennmont owns across its Funds. The Fund II job creation estimate is significantly higher than the Fund I estimate owing to two biomass assets in construction. Glennmont intends to update its methodology for estimating job creation in 2019.

	Fund I	Fund II	Total
Jobs created over 2018	13	477	490
Jobs created to date	1,809	2,003	3,811

7 Lifecycle Management

7.1 Impact Assessments and Inspections

During the pre-investment evaluation stage, environmental regulatory compliance assessments are performed.

After investment, Glennmont carries out regular environmental impact assessments, for instance investigating the project's impact on avifauna and sound levels. This is often a regulatory or planning requirement. In some situations, these lead to modifications to the project in question, for instance to reduce the sound impact of a wind turbine. Glennmont's technical and commercial management providers coordinated around 10 such environmental assessments, inspections or monitoring plans over 2018 across our operational portfolio. Operations and maintenance providers also coordinate assessments, of which there were 23, comprised of quarterly checks of noise, water quality, oil and dust pollution at Sleaford and environmental emergency plans at our Fund II Italian wind assets. Please note that these include ongoing assessments.

1. Rocca Ficuzza

Rocca Ficuzza is a 22.1 MW onshore wind farm in Italy, and is part of the SER portfolio.



7.2 Environmental and Social Responsibility Indicators

Glennmont actively manages the setting and monitoring of social responsibility standards and continuously manages the impact of our operations on the environment.

Fund I	2018				
Plant	Q1	Q2	Q3	Q4	Comment
CEF Solaire "Batilly"	●	●	●	●	<ul style="list-style-type: none"> • Gruig Q1: Drain blockage - has been resolved. • Todmorden Moor Q3: External noise complaint due to plastic repair material for blade repairs. Site and Asset Managers completed environmental awareness training.
CEF Solaire "Douai"	●	●	●	●	
CEF Solaire "Flins"	●	●	●	●	
CEF Solaire "Maubeuge"	●	●	●	●	
CEF Solaire "Sandouville"	●	●	●	●	
Enersol-Serenissima	●	●	●	●	<p>Methodology</p> <ul style="list-style-type: none"> • A red light indicates that there was a breach of environmental regulations & good social responsibility. • A yellow light indicates a breach of environmental regulations & good social responsibility which is being managed. • A green light indicates that there were no breaches of environmental regulations + good social responsibility
Eol Team					
Gortahile	●	●	●	●	
Gruig	●	●	●	●	
Megasol	●	●	●	●	
Noyales	●	●	●	●	
Phenix	●	●	●	●	
Piano San Biagio	●	●	●	●	
Sleaford	●	●	●	●	
Sol Cativante V	●	●	●	●	
Todmorden Moor	●	●	●	●	
Tramontane "Bois Ballays"	●	●	●	●	
Tramontane "Coudray"	●	●	●	●	
Tramontane "Mazera"	●	●	●	●	

1. Alcantara

Alcantara is a 47.6 MW onshore wind farm in Italy, composed of two assets, and part of the SER portfolio.



Fund II		2018				
Plant	Q1	Q2	Q3	Q4	Comment	
Alcantara Nord	●	●	●	●		
Alcantara Sud	●	●	●	●		
Arrouaise	●	●	●	●		
Brie	●	●	●	●		
Galerie Frencq	●	●	●	●		
Galerie Fresnoy Folny	●	●	●	●		
Lago Arancio	●	●	●	●		
Lisbon Coruche	●	●	●	●		
Lisbon Seixal	●	●	●	●		
Lucana	●	●	●	●		
Nebrodi Est	●	●	●	●		
Nebrodi Nord	●	●	●	●		
Nebrodi Ovest	●	●	●	●		
Renneville	●	●	●	●		
Rocca Ficuzza	●	●	●	●		
Saint Quentin Nord	●	●	●	●		
Serra del Vento Nord	●	●	●	●		
Serra del Vento Sud	●	●	●	●		
Sol Cativante VII (Apra4)	●	●	●	●		
Sourde de la Sensee	●	●	●	●		
SS Alcantara Francavilla	●	●	●	●		
SS Lago Arancio	●	●	●	●		
SS Nebrodi Ucria	●	●	●	●		
SS Rocca Ficuzza	●	●	●	●		
SS Sant'Agata Accadia	●	●	●	●		
Taverna la Storta Nord	●	●	●	●		
Taverna la Storta Sud	●	●	●	●		
Vulture	●	●	●	●		

At Galerie Fresnoy Folny, environmental monitoring identified that bat mortality is higher than expected on the wind farm. No concrete measures have been implemented so far, but they will be in 2019. The risky period for the bats is between April and October. At the same plant, on 16th December 2018, following gearbox damage in one wind turbine, there were oil spills in a turbine. Fortunately, no oil spills outside the turbine, and therefore of little environmental consequence.

Methodology

- A red light indicates that there was a breach of environmental regulations & good social responsibility.
- A yellow light indicates a breach of environmental regulations & good social responsibility which is being managed.
- A green light indicates that there were no breaches of environmental regulations + good social responsibility



1. Phenix

Phenix is a 24.2 MW solar farm in Italy

8. Leadership and Governance

8.1 Risk Management

Risk management is a standing item on the agenda of the firm's Partners. The AIFMD requires Glennmont to have a Chief Risk Officer ("CRO"). The CRO provides risk management across a fund's life cycle:

- During the investment process, the CRO assesses the current level of risk Glennmont is exposed to in relation to a specific transaction and how the transaction could interact with the rest of the portfolio
- The CRO has to verify the transaction to ensure that the investment falls within the investment strategy of the relevant fund vehicle and complies with the relevant investment and other restrictions; a transaction cannot be signed and completed without the approval of the CRO
- For the assets in the portfolios of Glennmont's AIFs, the CRO produces, an annual report which summarises the Fund's portfolio risks to the Partners.
- The report outlines: market, liquidity, credit, counterparty, leverage, and operational risk. Within a particular area, the report allocates risk ratings to specific risks, as well as stating what proportion of the Fund's invested capital is subject to which risk
- Each risk is assigned a green, yellow, or red traffic light, which indicate, respectively, that the risk is 'coherent', 'coherent but should be reviewed' and 'action needs to be taken'
- During the divestment process, the CRO produces a pre-divestment checklist to confirm, from a risk management perspective, whether the divestment process should be continued

As well as delivering formal risk reports to the Partners on an annual basis, the Chief Risk Officer also provides more immediate updates whenever deficiencies in the firm's risk management systems are identified and remedial measures are required.

The risk management function leverages on a whole suite of control systems already defined and implemented by Glennmont. It includes:

- Bank authorisation list across portfolio
- Asset management plant operational system
- SPV operational models
- Glennmont asset management risk register
- External portfolio valuation process (trading entities)
- External portfolio audit process
- Glennmont annual planning & appraisal cycle

8.2 Compliance

Compliance with applicable law and regulations is high on the Board's agenda, and is achieved through Glennmont's corporate governance framework, controls and reporting such as:

Investment Committees & Asset Management Committees

- Before signing a transaction, the Compliance Officer is required to provide his approval of the transaction. The Compliance Officer has to verify the transaction in relation to KYC, AML and conflict of interest policies
- The CEO, CFO and the Compliance Officer are required to attend at least one of the two Investment Committees required before acquisitions are made
- All Investment Committees are minuted

Professional Certified Fund Administrator

IQ-EQ is the independent third-party administrator.

- IQ-EQ provides oversight of client bank accounts and operates the mandates over them
- IQ-EQ also carries out performance measurement support services to the Fund through inter alia regular collection of data from portfolio companies, and reporting, as well as the calculation of IRRs (Fund, Investment and Investor) and other performance metrics

Compliance Officer

Glennmont's Compliance Officer reports to the CEO and CFO from a management perspective. Under the UK regulatory regime overseen by the Financial Conduct Authority ("FCA") rules, the Compliance Officer has to perform the role with a high level of independence.

The Compliance Officer's role is to ensure that during the life of the Fund, the General Partner acts in accordance with all compliance matters and procedures. This includes the following:

- Anti-Financial Crime and Counter Terrorist Financing policies and procedures
- Conflicts of interest policy
- Compliance with all FCA regulations

The Compliance Officer is supported by Bovill, a third-party service provider. Bovill has been retained to ensure transparency to the compliance process and that all procedures are appropriately executed. Bovill's services can be divided into the following categories:

- Initial consulting on control implementation and regular monitoring to ensure best practice is adopted
- AIFMD registration
- On-going monitoring
- Training
- Glennmont needs to ensure that our employees are sufficiently competent. Bovill assists Glennmont with the implementation of its Training and Competence requirement, both from a procedural perspective and by delivering training sessions, to help the firm in educating staff in relation to compliance and regulatory matters.

- Bovill also assist Glennmont with: a) all financial crime and money laundering regulations and laws; b) briefing senior management on their regulatory responsibilities under the developing regimes; and c) meeting our compliance training obligation

Compliance Manual

Glennmont's compliance manual sets out Glennmont's policies and procedures with respect to key aspects such as anti-bribery, market abuse, complaints, whistleblowing and financial promotion. The compliance manual is reviewed annually to ensure it reflects the latest regulation and requirements of the company.

HR Compliance

Background checks are carried out by a suitable independent specialist. The background check looks at a number of elements, including the validity of claims of qualifications and potential criminal record. The process has been in place since March 2013, when Glennmont became independent from BNP Paribas.

An employee handbook is available to all staff covering the expectations and requirements of employees at Glennmont. Annually, all staff declare they are aware of the latest handbook and a compliance declaration is completed.

8.3 Membership Organisations

Glennmont participates in five groups addressing sustainability, and is aiming to be increasingly active in responsible investment advocacy, within both the clean energy industry and the investment industry.

All-Party Parliamentary Group
on Energy Costs

IIGCC

ade

REA

PRI

Membership of ESG-related groups

- The All-Party Parliamentary Group on Energy Costs is a working group in the Houses of Parliament addressing energy costs in the UK
- Glennmont started participating in this APPG in 2014
- The Institutional Investors Group on Climate Change ("IIGCC") is a forum of around 150 investors collaborating on climate change mitigation
- Glennmont joined the IIGCC in 2018
- The Association for Decentralised Energy ("ADE") advocates a cost effective, efficient, low carbon user-led energy system
- Glennmont joined ADE in 2015
- The Renewable Energy Association ("REA") represents British renewable energy producers and promotes renewable energy in the UK
- Glennmont joined REA in 2013
- The UN Principles for Investment ("UNPRI") is an international network of investors working to implement six ESG principles into investment practices
- Glennmont became a signatory in 2013 after it became independent from BNP Paribas

8.4 Clean Energy Industry Contributions

Activity	Responsible Party
1 Climate Change Statements and Letters <p>Glennmont is a signatory of three new, important statements to governments regarding climate change:</p> <ul style="list-style-type: none"> • The IIGCC's '2050 vision' letter, accompanying the launch of COP24, which calls for carbon net neutrality by 2050. • The Overseas Development Institute's letter to the G20 leaders, ahead of November's G20 summit, requesting a clear timeline for the end of government fossil fuel subsidies. Glennmont is a signatory along with 8 other investors, including Aviva and the Environment Agency Pension Fund. • The Investor Agenda's Global Investor Statement. The largest letter from investors on climate change to date. It is a general call to action. 	Glennmont team
2 Glennmont Seminars <p>Glennmont has held seminars throughout the year to discuss different aspects of the clean energy transition with other market participants. The seminars have been in London (March), Seville (May), Rome (October) and Paris (November).</p> <p>Our speakers over 2018 have included:</p> <p>Barbara Boos <i>Head of Infrastructure Funds & Climate Action Division at the EIB</i></p> <p>Valerio Capizzi <i>Head of Energy EMEA at ING Bank</i></p> <p>Angus McCrone <i>Chief Editor at Bloomberg New Energy Finance</i></p> <p>Baroness Verma <i>The UK's former Parliamentary Under-Secretary of State (Department of Energy and Climate Change)</i></p>	Glennmont team
3 Team Speaking Events <p>Glennmont's team regularly take part in industry panels at conferences and seminars. Below are some key events that our team have spoken at in 2018:</p> <ul style="list-style-type: none"> • 3rd Annual Renewable Energy Project Finance Conference, February 2018 • Infrastructure Investor Tokyo Summit, April 2018 • Wind2018 Briefing, May 2018 • UK Committee of World Petroleum Council in association with the Energy Institute, June 2018 • BNP Paribas Asset Management SRI Event, September 2018 • Solar Big Data Conference, October 2018 • SolarPlaza, November 2018 	Glennmont's Partners, Directors & Managers

4 Membership Organisation Activity		
UNPRI		Glennmont team
<ul style="list-style-type: none"> Glennmont received an 'A' rating in the UNPRI's 2018 Assessment report. 		
REA		
<ul style="list-style-type: none"> Peter Dickson, one of Glennmont's Partners, was Chair of the Finance Forum of the REA from 2015 to summer 2018. He remains a member of the Steering Group for the REA Finance Forum. 		
5 Industry Contribution: Eagles		
"Enhancing Energy technologies for grid flexibility in Sicily" ("EAGLES") applied for funding to PO FERS Sicilia 2014-2020 (regional funding).		SER
<ul style="list-style-type: none"> EAGLES is promoting private-public partnership to solve issues relating to intermittent renewable energy supply in the electricity system. It aims to provide collateral services also for environmental benefit based on the innovative technologies that will be implemented in the project. The proposed consortium includes 16 partners such as Glennmont's SER, the Italian transmission system operator (TERNA), and the Italian National Research Council (CNR). SER will mainly contribute through pilot demonstrations working on the improvement of wind farm production forecasts and monitoring through integrating EAGLES infrastructure (such as smart towers). EAGLES was presented at phase one of the evaluation process; it is expected that the Sicily Region will admit EAGLES to phase two. 		
6 Industry contribution: predictive maintenance analysis		
SER is partnering with Messina University to host an intern to study the plant's performance. The student in question started their work in July and it is ongoing.		SER

9. Key ESG Contacts

For further information on
any of the ESG aspects
raised in this report,
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