



ESG Policy

January

2020

Alternative energy
investment
Absolute Returns



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1 About Glennmont Partners

Glennmont Partners 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's mission is to be the leading provider of clean energy absolute return investment products that deliver sustained long-term performance for our client. Glennmont works with investors and developers to form strong relationships, build portfolios of assets, and create stable profitable businesses. Everything we do is guided by our four core values: integrity; certainty; unity; and performance.

The rationale for having a dedicated environmental, social and governance ("ESG") investment policy is that Glennmont has accountability for the end-to-end activities occurring across our portfolio and throughout our funds' lifecycles. We believe that our actions should involve managing long-term risks through active ownership practices that are sensitive to ESG considerations.

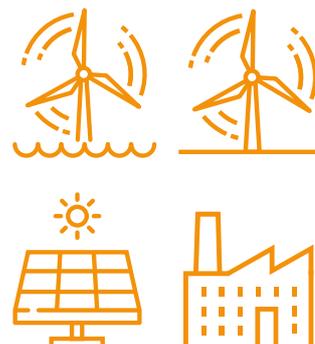
Since most of our investors have fiduciary responsibilities to ensure the sustainability of their portfolios, we consider it our obligation to manage the ESG opportunities and risks of the particular part of our clients' portfolio that they have entrusted us with; we bear a fiduciary responsibility towards them, given that they have limited opportunity to directly manage the ESG risks and opportunities of the assets that we oversee for them.

The scope of this policy is all clean energy infrastructure investments Glennmont manages on behalf of its investors. The objectives and values of our ESG policy are implemented through our investment and operational processes.

Over €2bn in capital raised towards investing in clean energy

Over 870 MW of assets acquired to date

Investments made in seven countries



2 Glennmont's ESG vision

Glennmont believes that ESG factors have a material impact on the financial performance of clean energy infrastructure investments

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.

As a long-term investor, we consider all material ESG factors in our investment risk assessments alongside the more typical financial, tax and economic considerations.

Glennmont is committed to investing in clean energy. As part of this, Glennmont commits to:

1. Investing in clean energy technologies that contribute to reducing carbon dioxide emissions globally, through the sourcing, acquiring, managing and divesting of clean energy projects for our investors;
2. Delivering excellence in environmental management and performance through:

legal and regulatory compliance; effective environmental management and reporting systems; stakeholder engagement; efficient use of natural resources; considering ESG as a criteria in contracts, especially in EPC, O&M and TCMA tenders; and all investments requiring environmental due diligence (such as an EIA) prior to acquisition.

3. Ensuring positive social outcomes from our investments through: implementation of Health and Safety Policies and Procedures; support and investment in local communities; communication and involvement with local educational institutions to promote awareness of renewable energy; creation of jobs throughout the clean energy supply chain; and support of educational initiatives.
4. Implementing strong governance controls through: the establishment of appropriate project governance structures; providing clear roles and responsibilities throughout the investment lifecycle; robust business ethics; diversity of employees; and transparent and timely reporting.



3 Objective

The objective of this policy is to set transparent guidelines for our investment analysis, decision-making and asset management processes, as well as to explain our ESG approach to stakeholders

An ESG policy enables us to communicate our commitment to responsible investing principles in a transparent and consistent way to all our stakeholders. It is part of a broader package of policies at Glennmont that are developed, implemented and monitored through Glennmont's various committees (the Investment Committee, Asset Management Committee, and at Board level).

Glennmont has taken as a framework, when incorporating ESG criteria into our investment and asset management processes, the six Principles for Responsible Investment ("PRI"), developed by an international group of institutional investors and convened by the United Nations. Glennmont has been signatory of the PRI since its inception in 2013 and, consistent with our fiduciary responsibilities, is also committed to the six Principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes
2. We will be active owners and incorporate ESG into our ownership policies and practices
3. We will seek appropriate disclosures on ESG issues by the entities in which we invest
4. We will promote acceptance and implementation of the Principles within the investment industry
5. We will work together to enhance our effectiveness in implementing the Principles
6. We will each report on our activities and progress towards implementing the Principles



4 Implementation

The implementation of the ESG policy into our investment and operational processes goes through a number of steps

ESG is implemented through the type of assets that Glennmont invests in and our management of them.

Glennmont is committed to investing exclusively in clean energy generation assets. This is a key part of the energy transition and part of broader efforts to mitigate the worst effects of climate change. The projects that we manage tend to be physical assets without employees, centered in Europe's most developed economies, with relatively stringent regulations concerning their management. This affects the type of ESG oversight required.

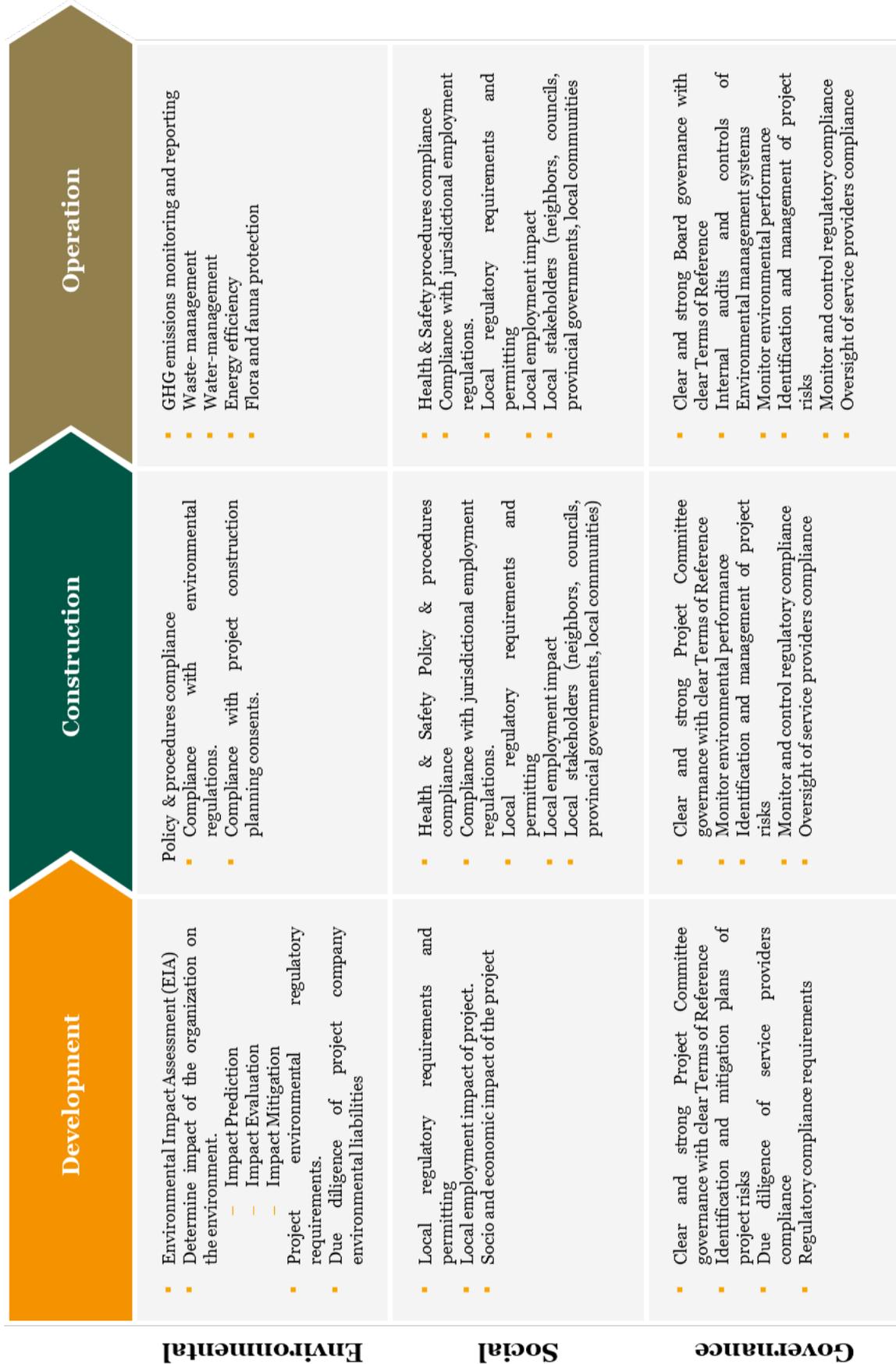
During the investment process, material ESG risks are highlighted to the Investment Committee by the Deal Team. For instance, whether environmental factors, such as impacts on noise or avifauna, are key risks, and how the risk will be mitigated. This information is usually drawn from a third-party Environmental Impact Assessment ("EIA"). These surveys, while focused on the physical asset under review, take into account the possible impact of the asset on its environment. The deal team also comment on the potential CO₂ offsets and job creation arising from the project over its life, as well as any community fund agreements either in place or to be instituted.

We have incorporated ESG factors into investment monitoring and portfolio and asset-management processes by: requiring monthly reporting on ESG-related issues (such as Health and Safety issues and incidents) on the assets within our portfolio from our subcontracted technical and commercial service providers; discussing ESG considerations at asset review calls and meetings, on-site visits, and quarterly face-to-face meetings; and sharing within Glennmont's team and senior management any ESG related issues within our portfolio, usually at the Asset Management Committee.

Regular measurements, monitoring and auditing of the organisation's ESG performance, and the system that is put in place to improve it, provides management with a basis for evaluating the effectiveness of the ESG management procedures. A core principle of ESG is that of continual improvement, thereby leading to better ESG performance by the organisation on a sustained basis.



5 Scope across the investment cycle



6 Screening

Glennmont's investment strategy naturally implies a number of exclusions – types of companies that we cannot, and will not, invest in

Glennmont, as a clean energy investor, will not invest in companies that derive revenue from:

1. Weapons
2. Oil sands
3. Coal

We therefore implicitly exclude companies that breach: the Oslo and Ottawa conventions (which concern cluster munitions and anti-personnel landmines respectively), and the Treaty of the Non-Proliferation of Nuclear Weapons.

We will also not invest in companies whose conduct systematically breaches the UN Global Compact Principles:

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.



7 Reporting and engaging

Transparent reporting of ESG data and analysis through a wide range of forums is key to Glennmont's ESG approach



Glennmont is committed to capturing, recording and reporting - in a structured and transparent way - on ESG-related issues throughout the investment analysis and decision-making processes, as well as in portfolio- and asset management-related activities.

We shall, where relevant, contribute to reporting being coordinated through the UNPRI and GRESB. Our annual assessments to the UNPRI and GRESB are approved by senior management and allow us to indicate how we compare to our peers; they promote not only opportunities for developing our approach but also for acknowledging which of our existing practices have worked.

Glennmont also commits to providing information on ESG integration to stakeholders at different points throughout the year. The main mediums for this are:

- For the public: annual ESG reports
- For our Limited Partners ("LPs"): ad hoc questionnaires, quarterly accounts, annual year-end accounts, and annual AGMs

The annual ESG report is available on Glennmont's website to all members of the public.

Glennmont's reporting is only as robust as the reporting that it receives itself from its plant managers, for this reason Glennmont is committed to frequent and comprehensive interaction with them. We also receive ESG data on a monthly basis from all assets under management through our proprietary IT system.



8 Compliance

Compliance with applicable law and regulations is high on the Board's agenda and a key governance consideration

Glennmont's corporate governance framework, controls and reporting helps us to ensure compliance. 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. In many instances this concerns effective governance. This includes the following:

- Anti-financial crime and counter terrorism financing policies and procedures
- Conflicts of interest policy
- Compliance with all FCA regulations

As part of our commitment to the FCA, Glennmont also abides by its eleven principles of business. These include acting with integrity (one of Glennmont's four core values), observing proper standards of market conduct, treating customers fairly, and communicating information to them in a clear, fair, and accurate manner.

The Compliance Officer is supported by a third-party service provider. They have been retained to ensure transparency to the compliance process and that all procedures are appropriately executed.

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.



9 Risk management

Risk management is a standing item on the agenda of the firm's Partners

The primary ESG risks that Glennmont needs to ensure effective management of are Health and Safety, the carbon dioxide emissions of our assets, the environmental impact of our assets, and the appropriate governance of our investment vehicles. Taking each in turn:

1. The risk of Health and Safety incidents is managed through comprehensive oversight of our plant managers and regular training of subcontracted employees. Glennmont aims to have zero Health and Safety incidents per year across its portfolio. Health and Safety issues and incidents are reported on a monthly basis by our plant managers.
2. The risk associated with the carbon dioxide emissions of our assets is managed through investing in clean energy technologies, complying with GHG reporting requirements, and taking into account the carbon impact of decisions, for instance different fuels in biomass plants.
3. The environmental impact of our assets is primarily managed through the conducting of environmental impact assessments, discussed in section 2.
4. The AIFMD requires Glennmont to have a Chief Risk Officer ("CRO"). The CRO provides risk management across a fund's life cycle. Their role primarily concerns ensuring that the relevant fund remains compliant with the risk components of the strategy and terms agreed with investors, i.e. ensuring good governance:
 - 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 strategy of the relevant fund vehicle and complies with the relevant 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.
 - 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.



10 Governance of this policy

Glennmont reviews and updates this policy on a frequent basis, with oversight from senior management

The CEO and Head of Asset Management of Glennmont will both review the ESG Policy on an annual basis. It will be updated where necessary.

Reviews will be carried out in order to ensure that the policy: reflects the reality of Glennmont's business; is in keeping with market norms; and meets the expectations of our stakeholders.



11 Key ESG Contacts

For further information on this policy, please contact either Joost Bergsma or Jordi Francesch:

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