



Glennmont Partners

Environmental, Social and Governance Report 2019

Alternative energy
investment
Absolute Returns



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





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Sol Cativante V, Fund I
7 MWp solar plant, Portugal

Port Clarence, Fund II
40 MWe biomass plant, England

Goudelancourt, Fund III
17 MW wind farm, France



+€2.0_{bn}

Glennmont has raised
over €2.0bn towards investing
in clean energy

+1.4_{GW}

Glennmont has invested
in assets with an installed
capacity of over 1.4 GW

30 investments

Glennmont has made 30
investments across Europe

50 sites

Glennmont's investments
have been based in
50 different sites

12 years

Glennmont has been investing
exclusively in clean energy
infrastructure for over a decade



1 Foreword: Glennmont Partners and ESG

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.

This report sets out Glennmont's work on ESG across all funds under management by Glennmont in 2019. It is a development of the new ESG report released at the start of 2019. We have continued to map our ESG activities against the UN's Sustainable Development Goals, as illustrated in section 3, and to report on new key performance indicators such as clean energy produced, water usage, and total community funding, as shown in sections 4 and 5. In addition to this, we have updated our methodology for calculating carbon offsets as well as estimating job creation, summarised in sections 4 and 6.

While sections 3 through to 7 are primarily focused on our assets, Glennmont continues to be an active participant in the clean energy industry and a leading responsible investment advocate, as outlined by the content in section 8: we participate in a wide range of ESG-related groups and initiatives which have climate change as one of their core concerns; our team has both hosted and partaken in a wide variety of clean energy events; we continue to sign important statements concerning climate change; and we have recently set up a Sustainability Committee to help further propel our ESG initiatives, with discussions ongoing with a variety of charities and universities to ascertain how we can partner with one another.

The current COVID-19 pandemic has been noted by many as a warning from the natural world about humanity's impact upon it. Glennmont's work is only focused on one specific impact, our energy consumption, but we do feel that it is a crucial one, and one that is relatively straightforward to address. We hope that this report will give you a sense not only as to how clean energy infrastructure can be implemented both at scale and ethically, but also for the importance of the energy transition in these environmentally uncertain times.

Joost Bergsma
CEO and Managing Partner

2 An Introduction to Glennmont Partners

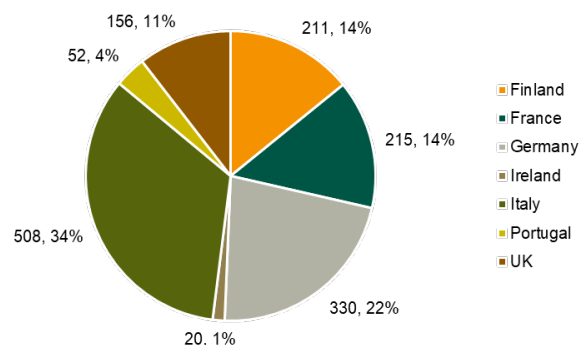
Glennmont is one of the world's largest fund managers focusing exclusively on clean energy infrastructure investing.

We have raised over €2.0 billion towards investing in clean energy, and have invested in projects with a total enterprise value over €2.0 billion. To date we have made investments in Finland, France, Germany, Ireland, Italy, Portugal, and the UK - with a cumulative installed capacity of approximately 1.5 GW across 30 investments and 50 sites. Of these projects, two are currently under construction while the rest are operational.

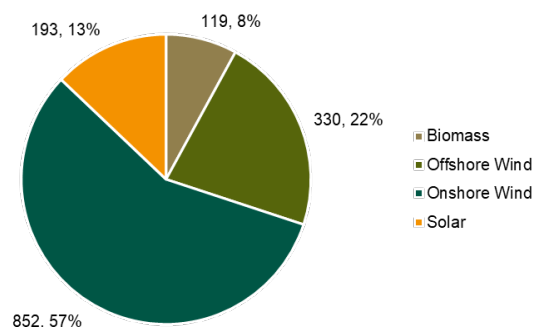
Our specialist and international team has been working together since 2007, and comprises forty people based in London. The team has established a reputation for making intelligent, long-term investments that deliver absolute returns. We have market-leading experience in the development, construction, and operation of clean energy generation projects.

Over 2019 Glennmont continued its steady growth. We completed our fundraising for Fund III, our latest equity fund, having raised €850m (€250m above our original target) and continued fundraising for REBS, a debt fund. Concomitantly, Glennmont has been finalising its Fund I divestments, optimising assets in Fund II to add value, and investing Fund III. Most notably, we have acquired a stake in Gode Wind 1 and the entirety of Sibelius – the former a 330 MW offshore wind farm, and the latter Finland's largest onshore wind farm development with 211 MW under construction.

Capacity (MW) by country



Capacity (MW) by technology



Minerva Messina, Fund III
42 MW wind farm, Italy

Gode Wind 1, Fund III
330 MW wind farm, Germany

Margam, Fund II
40 MWe biomass plant, Wales



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 reports our work towards them on an annual basis. This will be the second annual report to comment on these goals.

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; we have chosen to map our activities against these four in particular, so as to sharpen our 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 2019. We have been able to measure or estimate some of the key ones. There are further contributions listed throughout this report. Our key contribution is through our production of clean energy, as highlighted below.

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
1.6 TWh produced over 2019	330+ jobs created over 2019	190+ children visited our assets on school visits	430k gross CO ₂ tonnes offset over 2019
Three seminars hosted, in two countries, on the clean energy transition	Zero red traffic lights in H&S indicators across the assets	51.6k m ³ water used during biomass energy production over the year	Four important climate change statements or letters signed

4 Environmental

4.1 Gross Energy Production

Over 2019, Glennmont has produced over 1.6 TWh of clean energy from its solar PV, onshore wind, offshore wind and bioenergy assets.

	2019	Inception to Dec 2019
Fund	Clean energy produced over 2019 (TWh)	Clean energy produced to date (TWh)
Fund I	0.5	5.4
Fund II	0.9	3.4
Fund III	0.2	0.2
Total	1.6	9.0

	2019	Inception to Dec 2019
Technology	Clean energy produced over 2019 (TWh)	Clean energy produced to date (TWh)
Solar PV	0.0	1.7
Onshore Wind	1.0	5.6
Offshore Wind	0.1	0.1
Biomass	0.4	1.5
Total	1.6	9.0

Goudelancourt, Fund III
17 MW wind farm, France



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 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.

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 Fund and, within the Fund, by country and year.

Fund I investments – Gross CO₂ offsets

2019

125,505

Tonnes of CO₂ offset

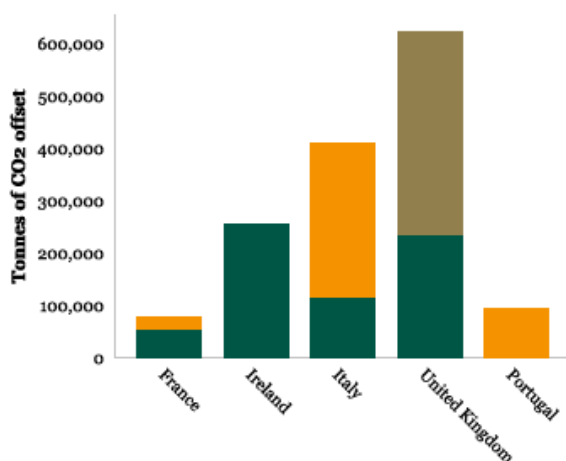
Portfolio to date

1,459,607

Tonnes of CO₂ offset

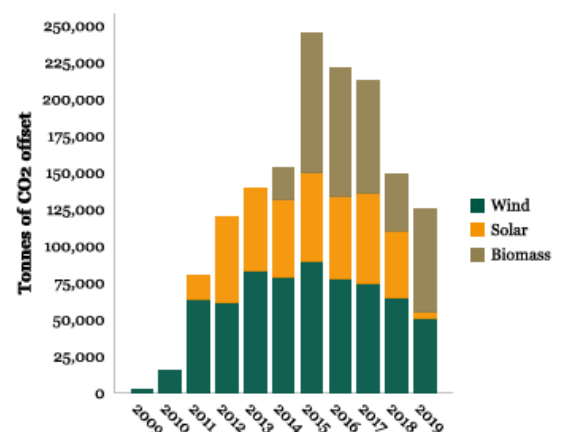
CO₂ offset by country

Inception to 2019



CO₂ offset by year

Inception to 2019



Glennmont estimates its gross CO₂ offsets by combining data from our assets and the annual International Energy Agency (“IEA”) report *Emissions Factors*. Going forward, we will update the underlying IEA data on a yearly basis when we receive each new *Emissions Factors* report.

The CO₂ offset for the portfolio is calculated by multiplying our assets’ actual kWh generated by a corresponding IEA CO₂/kWh factor for the relevant country and year. Future years are estimated by taking averages of the previous three years’ actuals. The IEA’s CO₂/kWh value for each country is based on the total emissions from fossil fuels consumed for electricity generation, in both electricity-only and combined heat and power plants (CHP), divided by the electricity generated from all fossil and non-fossil sources.

Glennmont previously used an earlier IEA report for offset calculations. By using the latest available *Emissions Factors* report instead, the offsets have fallen as the carbon intensity of energy production in Europe has fallen. For example, in our 2018 ESG report, we recorded total gross CO₂ offsets of 2.2m tonnes to year-end 2018 across Fund I and Fund II. The equivalent figure using the new dataset, is 1.9m tonnes; the majority of this reduction relates to Fund I, which fell by 0.3m tonnes.

Please note that these ‘gross CO₂ offsets’ are not certified. They are estimates based on assuming clean energy is carbon dioxide emission-free and comparing it to the relevant grid’s carbon intensity.

Fund II investments – Gross CO₂ offsets

2019

239,930

Tonnes of CO₂ offset

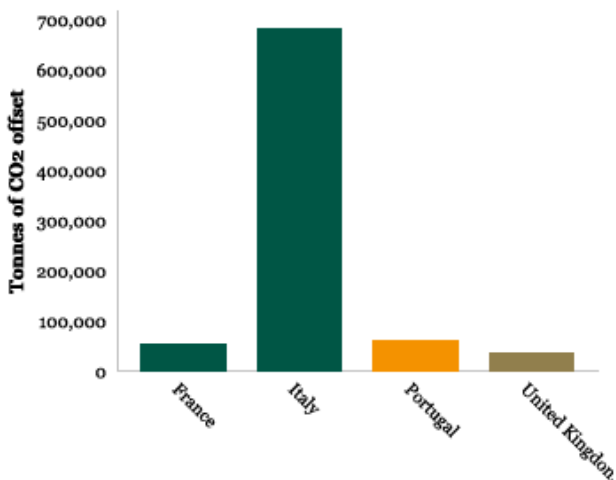
Portfolio to date

834,409

Tonnes of CO₂ offset

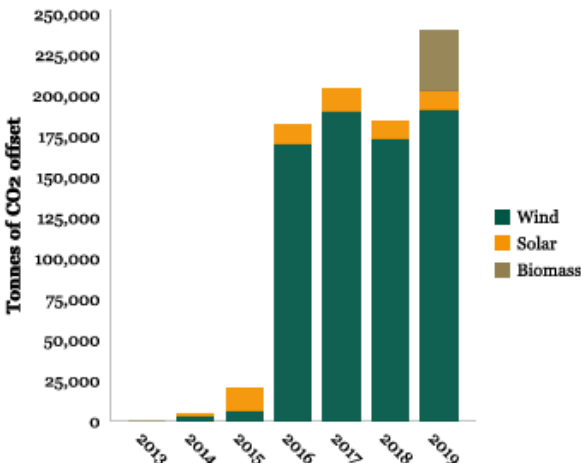
CO₂ offset by country

Inception to 2019



CO₂ offset by year

Inception to 2019



Fund III investments – Gross CO₂ offsets

2019

64,755

Tonnes of CO₂ offset

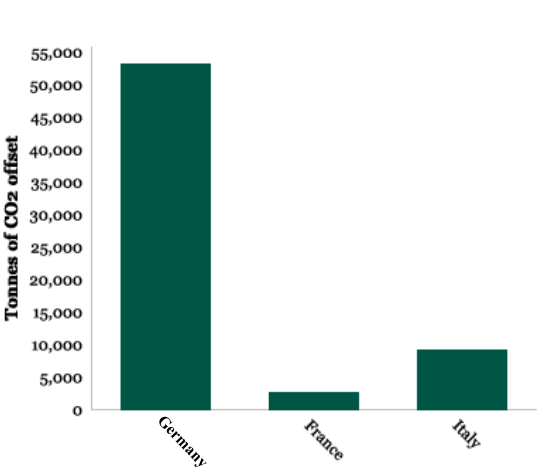
Portfolio to date

64,755

Tonnes of CO₂ offset

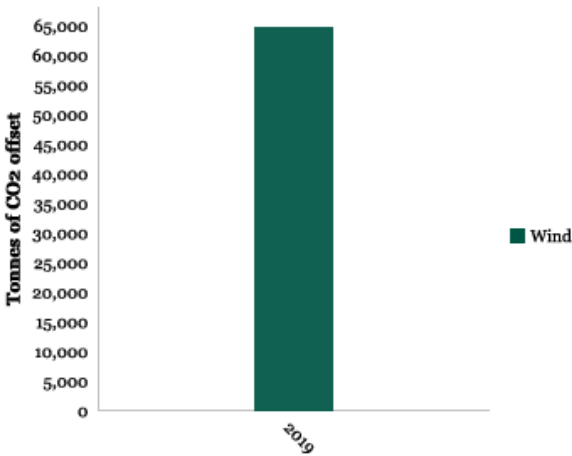
CO₂ offset by country

Inception to 2019



CO₂ offset by year

Inception to 2019



Geoff Hoffheinz, Chief Engineer
Lucana, Fund II
10 MW wind farm, Italy

Sara Sancho, Senior Engineer
Goudelancourt, Fund III
17 MW wind farm, France



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 frequently sampled to ensure it complies with the site trade effluent permit or consent.

Glennmont does not target a reduction in biomass water usage, given that it is essential to the workings of biomass plants; instead we release the annual water consumption for the previous three years, in order to depict our water consumption, and, where it increases or decreases significantly, to provide an explanation of the reason. The figures are the total water use of the plant, and therefore include amounts used for aspects such as the site's domestic consumption. Unlike last year's ESG report, we have sourced these figures from the plant meter as there have been erroneous readings from the website of the utility which provides the water.

Sleaford's total water consumption for 2019 was higher than the average primarily because 2018's was particularly low as the plant was offline for a period of time due to fuel supply issues. We have not provided water consumption for 2019 for Fund II biomass as the relevant asset was not operational for the full year.

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 common, which may help to reduce their water consumption.

	Fund I Biomass	Fund II Biomass	Total
2019 water consumption (m ³)	51,632	N/A	51,632
Water consumption over previous three years (m ³)	143,533	N/A	143,533
Average water consumption over previous three years (m ³)	47,844	N/A	47,844

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. As an energy provider, Glennmont 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, government and initiatives

Glennmont is committing to showing on an annual basis the amount distributed in the previous year from assets owned at year-end. These funds are used for activities such as those set out in section 5.2.

Cash distribution (€)	Fund I	Fund II	Fund III	Total
2019	0+	€600,000+	N/A	€600,000+
2018	€43,000+	€2,200,000+	N/A	€2,243,000+

Alcantara Nord, Fund II
Part of 48 MW wind farm, Italy



5.2 Community Activity Examples

Fund I Projects

1 Sleaford - new Community Power Fund Agreement

Sleaford has agreed with the local North Kesteven District Council to provide £25,000 per annum for the next five years to local community initiatives located within 5 miles of the plant. Funding will be awarded to projects focusing on the environment, sport, wellbeing or education. Funding decisions are made by a panel composed of representatives from the plant, the Council and the community. The initiative has been warmly received.

2 Sleaford - site visits

Throughout the year Sleaford hosted a wide variety of site visits from organisations including: as Spalding Grammar School; Sleaford Swimming Club; a Welsh agricultural college, Glynllifon College; the University of the Third Age; the Chartered Institute of Logistics and Transport; and Bourne U3A. Sleaford's staff in turn attended a World of Work careers morning at Kesteven and Sleaford High School.

3 Sleaford - sponsorship of award at North Kesteven Community Awards

On Glennmont's behalf, Sleaford's plant managers, John Cole and Gregory Atebe from Natural Power, presented the annual Contribution to a Better Environment award at the North Kesteven District Council Community Champion awards. They also helped to judge the nominees for all of the awards.

4 Sleaford - school engagement through the Live Earth Competition

A primary school competition that Glennmont supports, the Live Earth competition, had its prize giving on 23rd April; seven primary school teachers working with the Competition came on a site visit to the plant earlier in the year.

5 Sleaford - local district heating network

Sleaford continues to supply 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.

6 Gruig - site visits

At Gruig wind farm, in Northern Ireland, in Q2 2019, two groups of school children from St Patricks Primary School and Loughguile and Broughshane Primary School visited. 62 children and four teachers visited the wind farm in total.



Sleaford, Fund I

John Cole and Gregory Atebe, Sleaford's plant managers from Natural Power, at the NK Community Champion Awards
Photograph: North Kesteven District Council and Chris Vaughan Photography



Gruig, Fund I

25 MW wind farm, Northern Ireland



Gode Wind 1, Fund III
330 MW offshore wind farm, Germany



Lucana, Fund II
10 MW wind farm, Italy

Fund II Projects

1 SER assets – community activities

SER's assets continue to fund a variety of activities carried out by the local municipalities. Payments were made over 2019 to the Sant'Agata di Puglia, Montalbano Elicona, Francavilla di Sicilia, San Piero Patti, Sambuca di Sicilia, and Antillo municipalities to help fund, amongst other things:

- restoration works on buildings;
- creating an exhibition spaces for geology, flora and fauna;
- maintenance of a playground;
- energy efficiency of public lighting systems;
- sponsorship of a social and cultural event called the 'Antillo Folk Fest';
- the lighting of a Norman castle;
- energy efficient public lighting and solar PV systems to be set up, with the installation of 21 lights;
- the upgrading of water systems to reduce losses;
- maintenance of a local football field; and
- the planting of 50 plants, flowers, and trees in the garden of a local school.

Please note that not all of these works have commenced yet.

2 SER assets - school visits

Site visits continued unabated at SER's constituent assets over 2019, including visits to the Lago Arancio and Nebrodi wind farms that totaled 128 students and 10 teachers.

3 SER management company – ESG activities

2019 was a busy year for SER's management company from an ESG perspective. The year saw:

- the General Manager's development of an ESG policy;
- participation in GRESB's asset assessment for the underlying SER assets;
- the adoption of a 'plastic free' campaign in the Rome office; and
- general and specific training courses for employees with 270 hours of health, environment and safety training courses.

4 Margam – Community Benefit Fund

Margam's Community Benefit Fund continues to award payments:

- a grant was awarded to the 'Friends of Margam Park', who have lately taken up occupation of the Turbine House in Margam Park and plan to convert the Turbine House into a Visitor Centre, office space and a home for their historic archives; and
- £3,000 was awarded to the Tata Steel Cricket Club for the supply and installation of an energy efficient boiler.

The plant also donated a decorated Christmas tree to a local festival, following a Christmas tree charity appeal from Neath Port Talbot County Borough Council.

5 Coruche – scholarships

The Coruche solar farm provided €16,000 to fund eight students through the local municipality of Coruche.

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	2019				Comment
	Q1	Q2	Q3	Q4	
Plant					
Gortahile	●	●			<ul style="list-style-type: none"> Gortahile: in Q1, reinforced bars in the service lift had rungs that had come halfway out; and in Q2 the zip to gain access to TSL safety devise has been cable tied impeding a quick access during emergency. Repair works carried out on site leading to better and safer driving conditions. Sleaford: in Q1, there were two near misses, a straw lorry had an accident involving a street light and a gas cylinder was found to be unsecured whilst welding was carried out under a condenser; in Q2 there were 10 minor incidents, including first aid and lost time incidents; in Q3 there were 4 minor incidents, including one minor first aid incident where the injured party received a cut to the bridge of the nose whilst removing a stuck filter bag which suddenly became free; and in Q4 there was one minor incident where a fuel delivery driver was using a mobile phone whilst driving around the site. The driver was re-inducted and a letter sent to all fuel suppliers reminding them of their obligations on site. Todmorden: in Q1, snow restricted access to site, and three items were found faulty during statutory inspections; in Q2, the CCTV was found not armed a substation and there was a fault with the substation water supply.
Gruig	●	●			
Piano San Biagio	●	●	●	●	
Sleaford	●	●	●	●	
Sol Cativante V	●	●	●	●	
Todmorden Moor	●	●			

Fund II	2019				
Plant	Q1	Q2	Q3	Q4	Comment
Alcantara Nord	●	●	●	●	● Arrouaise: plots or rocks need to be installed near a dangerous area due to a steep platform.
Alcantara Sud	●	●	●	●	
Arrouaise	●	●	●	●	
Brie	●	●	●	●	● Margam: during unloading of fuel, part of a Stobart vehicle fell into an unloading pit, no harm or damage caused. No data presented for Q1 as project was under construction.
Galerie Frencq	●	●	●	●	
Galerie Fresnoy Folny	●	●	●	●	
Lago Arancio	●	●	●	●	● Nebrodi Nord: SER worker had a small accident on the road, a car was damaged but no injuries sustained. The HSE manager has implemented a corrective action to confirm SER employees with the release of specific procedures and training on the correct use of company cars.
Lisbon Coruche	●	●	●	●	
Lisbon Seixal	●	●	●	●	
Lucana	●	●	●	●	● Rocca Ficuzza: a stretch of road from the wind farm was not accessible to ambulances, and in a stretch of road in the park the height of the road barrier was not regular.
Margam		●	●	●	
Nebrodi Est	●	●	●	●	
Nebrodi Nord	●	●	●	●	● Saint Quentin Nord: an additional step needs to be installed on one of the turbine stairs.
Nebrodi Ovest	●	●	●	●	
Renneville	●	●	●	●	
Rocca Ficuzza	●	●	●	●	● Vulture: extraordinary road maintenance ongoing to guarantee safe on site access.
Saint Quentin Nord	●	●	●	●	
Serra del Vento Nord	●	●	●	●	
Serra del Vento Sud	●	●	●	●	
Sol Cativante VII (Apra4)	●	●	●	●	
Source 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	●	●	●	●	

Fund III		2019			
Plant	Q1	Q2	Q3	Q4	Comment
Gode Wind	●	●	●	●	<ul style="list-style-type: none">Minerva: due to adverse weather conditions, lightning irreparably damaged a wind turbine blade. Part of the blade fell and obstructed a road, while part of it remained anchored to the wind turbine. The road had to be closed to traffic as a result. Nordex engineering safely disassembled it. <p>Methodology</p> <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.
Goudelancourt	●	●	●	●	
Minerva	●	●	●	●	

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. Glennmont has estimated the job-years created, as a result of the assets that Glennmont owns across its Funds, as nearly 4,000 to date.

	Fund I	Fund II	Fund III	Total
Job-years created over 2019	106	192	34	332
Job-years created to date	2,057	720	34	2,811

The figures are based on taking job-years per GWh produced for each technology, from a reference paper which assessed a series of papers, and multiplying them by the GWh our assets produced in the given year.

	Biomass	Solar PV	Wind
Job-years per GWh	0.21	0.87	0.17

They therefore initially underrepresent the job-years created during the construction of assets as, for the period that they are not producing any electricity, they do not show any job-years. However, the statistics then converge to a more accurate estimate of cumulative job-years after operation ensues.

Women in Wind, October 2019
Glennmont hosted the Global Wind Energy Council's Women in Wind Global Leadership Program



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 coordinate dozens of environmental assessments, inspections or monitoring plans each year across our operational portfolio. Plant contractors also coordinate assessments comprised of quarterly checks of noise, water quality, oil and dust pollution at our UK biomass, while at our Fund II Italian wind assets, 90 audits were carried out to verify the compliance of contractors and subcontractors on site.

Andali, Fund III
36 MW wind farm, Italy



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	2019				
Plant	Q1	Q2	Q3	Q4	Comment
Gortahile	●	●			<ul style="list-style-type: none"> Sleaford: in Q1 a hydraulic hose on the Volvo front loader split, spilled 17l oil onto the apron in front of the wood chip barn. Hose was replaced, oil was contained and removed for disposal using a spill kit; in Q2 there were 2 environmental incidents including a hydraulic leak from the front-end loader and a soil pipe leak from the contractors village; in Q3 there was communication from the EA highlighting a potential breach for the disposal of fly ash, an End of Waste process has commenced to rectify the situation; and in Q4 a balance pipe on the steam turbine lubrications system leaked from a broken joint, a temporary repair was carried out and a spill kit deployed to soak up the oil and to ensure no oil went into the drainage system. No Q3 or Q4 data presented for Gortahile, Gruig and Todmorden as these assets were sold in Q3 2019.
Gruig	●	●			
Piano San Biagio	●	●	●	●	
Sleaford	●	●	●	●	
Sol Cativante V	●	●	●	●	
Todmorden Moor	●	●			

Sleaford, Fund I 39 MWe biomass plant, England

Rainwater, harvested for the power generation process, and storm water both go through a purpose-built swale before returning to the River Sleat.

Since 2014, the swale has developed into a microcosm for wildlife and flora. The local bee-keeping association has installed a beehive to make the most of it.



Fund II	2019				<div><div></div><div>Bat mortality was higher than expected at Galerne's Fresnoy. A curtailment and mitigation strategy has since been settled upon with Natural Power.</div></div>
Plant	Q1	Q2	Q3	Q4	
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	●	●	●	●	

Fund III		2019				Comment
Plant	Q1	Q2	Q3	Q4		
Gode Wind	●	●	●	●		
Goudelancourt	●	●	●	●		
Minerva	●	●	●	●		

- 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.

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.

Membership of ESG-related groups

	<ul style="list-style-type: none"> • GRESB is an organisation assessing the sustainability performance of real asset sector portfolios and assets • Glennmont started participating in their annual Fund assessment in 2019
	<ul style="list-style-type: none"> • 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
	<ul style="list-style-type: none"> • The Association for Decentralised Energy ("ADE") advocates a cost effective, efficient, low carbon user-led energy system • Glennmont joined ADE in 2015
	<ul style="list-style-type: none"> • The Renewable Energy Association ("REA") represents British renewable energy producers and promotes renewable energy in the UK • Glennmont joined REA in 2013
	<ul style="list-style-type: none"> • 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	Party
1 Climate Change Statements and Letters	
<p>Glennmont signed four letters through IIGCC and UNPRI:</p> <ul style="list-style-type: none"> A letter from investor and business CEOs to the UK government, in advance of the Bonn Climate Change Conference, which called for the legislation of a 2050 net-zero GHG emissions target. A joint CEO statement to EU Leaders, in advance of the Sibiu Summit, which urged the heads of states and government to endorse an EU strategy for climate neutrality by 2050 at the latest. An open letter to EU leaders, ahead of the October European Council, reflecting the core asks in the Global Investor Statement that Glennmont signed in 2018. An investor statement on deforestation and forest fires in the Amazon which called on companies to demonstrate clear commitment to eliminating deforestation within their operations and supply chains. 	Glennmont team
2 Guarantees of Origin	
<p>Guarantees of Origin (GOs) are certificates used by suppliers to evidence to customers that the electricity being sold originates from a renewable energy source. Each GO represents 1 MWh of electricity. In the UK they are referred to as Renewable Obligation Certificates (REGOs).</p> <ul style="list-style-type: none"> Our assets take part in GO schemes in Italy and the UK. Over 2019 they generated over 1,000,000 GOs. These were made up of: Finpower, 119,749 GOs; Lucana, 18,455 GOs; SER and SER 425,474 GOs; Sleaford, 280,480 REGOs; and Margam, 196,953 REGOs. Recipients of our GOs include Centrica and Statkraft. 	Glennmont team TCMA's
3 Glennmont Seminars	
<p>Glennmont held three seminars in London and Amsterdam to discuss the clean energy transition. The speakers included:</p> <ul style="list-style-type: none"> Baroness Brown of Cambridge, Deputy Chair of the Committee on Climate Change; Baroness Verma, the UK's former Parliamentary Under-Secretary of State (Department of Energy and Climate Change); and Angus McCrone, Chief Editor at Bloomberg New Energy Finance. 	Glennmont team
4 Team Speaking Events	
<p>Glennmont's team regularly take part in industry panels at conferences and seminars and on webinars, such as:</p> <ul style="list-style-type: none"> Future Solar Energy Summit, April 2019 Infrastructure Investor Seoul Summit, May 2019 World Petroleum Council Finance Symposium, June 2019 Solar & Storage Live, September 2019 Sustainable Finance Summit, October 2019 Japan Wind Energy, October 2019 Women in Wind webinars, November 2019 Infrastructure Investor HK Summit, November 2019 Smart Solar PV Forum, December 2019 	Glennmont team

5	Team Hosting Events	
	<ul style="list-style-type: none"> Glennmont hosted the Global Wind Energy Council's Women in Wind Global Leadership Program in October 2019. 	Glennmont team
6	Membership Organisation Activity	
	<ul style="list-style-type: none"> UNPRI: in the 2019 assessment, Glennmont received an 'A+' grade for the 'Infrastructure' module, higher than the respondent median of 'A'; and an 'A' grade for Strategy and Governance, the same as the respondent median. GRESB: on its first year partaking in the assessment, Glennmont received a 'Fund Score' of 83/100 for both Fund II and Fund III, against a 'peer average' of 76/100, and a 'GRESB average' of 71/100. Glennmont outperformed more than 80% of our peers. REA: 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. 	Glennmont team
7	Research Projects	
	<ul style="list-style-type: none"> SER and the University of Palermo signed a framework agreement to support the evaluation of new ancillary services for the Italian energy market Gode Wind 1 has agreed to participate in 'GeoWiSol2', a research project conducted by the German Offshore Wind Energy Foundation and funded by Germany's Federal Ministry of Economic Affairs and Energy. The project's aim is to analyse the effects on the grid of electricity production from wind and solar power plants in Germany between 2015-2018. 	SER Gode Wind 1

Sol Cativante V, Fund I
7 MWp solar plant, Portugal



8.5 Management Company Sustainability Initiatives

Sibelius, Fund III
211 MW wind farm, Finland

Activity	
1	Sustainability Committee
<p>Glennmont established a Sustainability Committee at the end of 2019.</p> <ul style="list-style-type: none">The Sustainability Committee meets on a monthly basis to discuss ESG and sustainability considerations at not only asset level but also as regards the management company. <p>The membership of the Sustainability Committee is drawn from across senior management, the investment team, and the asset management team. It is comprised of both permanent and rotating members:</p> <ul style="list-style-type: none">Permanent members: Joost Bergsma, CEO and Managing Partner; Jordi Francesch, Head of Asset Management and CRO; Sara Sancho, Senior Engineer; and Alfred Perry, Analyst.Rotating members: currently James Taggart, Manager; and Michael Pechstein, Analyst. <p>The Committee is looking into a variety of activities over 2020 including:</p> <ul style="list-style-type: none">team volunteering with Nature's Gym and Envision;hosting work experience placements at our London office through the Sutton Trust;calculating Glennmont's carbon footprint through the Carbon Trust, and subsequently offsetting it through UK forestry; andclean energy research partnerships with universities and institutes. <p>The Committee is also intending to investigate broader concerns, such as the recycling of plant components and community funding guidance for all the countries in which we invest.</p>	
2	ShelterBox
<p>Glennmont partnered with ShelterBox in 2019, donating funds so that they could provide 250 LuminAIDs (solar-powered lamps) to those in need.</p> <p>We also purchased from ShelterBox a further 250 LuminAIDs which were sent to key relationship counterparties, and distributed across our own team.</p>	



9. Key ESG Contacts

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