



Glennmont Partners

Environmental, Social, and Governance Report 2020

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



**GLENNMONT
PARTNERS**

from nuveen





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Piiparinmäki, Fund III
211 MW wind farm, Finland

Andali, Fund III
36 MW wind farm, Italy

Margam, Fund II
40 MWe biomass plant, Wales



+€3.0_{bn}

Glennmont has managed
over €3.0bn of clean energy
investments (by EV) to date

+1.5_{GW}

Glennmont has invested equity
in assets with an installed
capacity of over 1.5 GW

30 investments

Glennmont has made 30
investments across Europe

50 sites

Glennmont's investments
have been based in
50 different sites

14 years

Glennmont has been investing
exclusively in clean energy
infrastructure for 14 years



1 Foreword: Glennmont Partners and ESG

This report sets out Glennmont's work on ESG in 2020, across both our team and the assets that we manage.

As with 2019's report, we have mapped our ESG activities against the UN's Sustainable Development Goals, reported on key ESG performance indicators at the assets, and set out the ESG initiatives underway at our London headquarters.

While this report covers Glennmont's ESG activities over 2020, Glennmont is looking forward to 2021, which we hope will be a record-breaking year of climate change decisions and delivery, as evidenced by four key events, recent and yet to pass:

1. In February 2021, the USA announced that it would enter back into the Paris Agreement, resuming their guiding role in climate change mitigation, and helping to mobilise global political sentiment towards solutions.
2. In March 2021, the first phase of the EU's new Sustainable Finance Disclosures Regulation ("SFDR") regulation came into effect. The SFDR regulation, together with the forthcoming EU Sustainable Taxonomy regulation, will engender further transparency and reporting from investors, and act as a base for more action on climate change.
3. Later in 2021, the EU green recovery fund will become operational, providing capital to initiatives that are at the forefront of an environmentally sustainable future; and
4. In October 2021, the UK will host COP26, which promises to be a "make or break" conference, coming on the tail of these other initiatives.

The recent *IEA-COP26 Net Zero Summit* set out a series of key principles to ensure "progress towards clean growth and resilience", including statements such as:

1. "Sustainable recoveries can provide a once-in-a-generation down-payment toward net zero";
2. "Clear, ambitious and implementable net-zero-aligned roadmaps to 2030 and beyond are critical"; and
3. "Net-zero energy systems also need to be sustainable, secure, affordable and resilient".

We hope that events in the EU, USA, and UK may go some way towards fulfilling these principles.

Glennmont will also continue to move its ESG agenda forward in 2021. We are looking at, amongst a wealth of other activities, documenting and offsetting our team's carbon footprint for 2020, carrying out forensic carbon footprint analysis of a solar PV project that we are developing (to have a sense of end-to-end emissions), and continuing to attract and deploy large amounts of capital into climate change mitigating clean energy infrastructure.

Our ambitions in this respect have been heightened by our recent acquisition by Nuveen, an asset manager known for their responsible investing and with whom we are thrilled to be working with.

Joost Bergsma
CEO and Managing Partner

2 An Introduction to Glennmont Partners

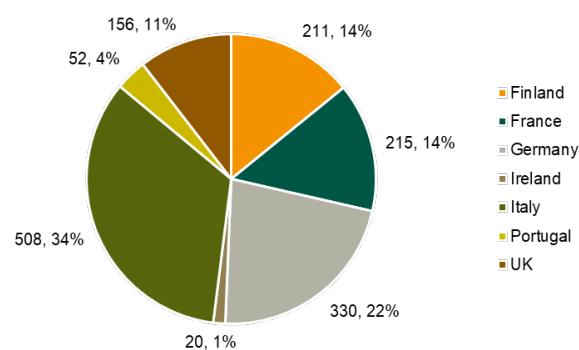
Glennmont is one of the world's largest fund managers focusing exclusively on clean energy infrastructure investing.

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, one is currently under construction while the rest are operational, with 16 successfully divested. This does not include an additional 1 GW of solar PV projects that the Glennmont team is developing across southern Europe.

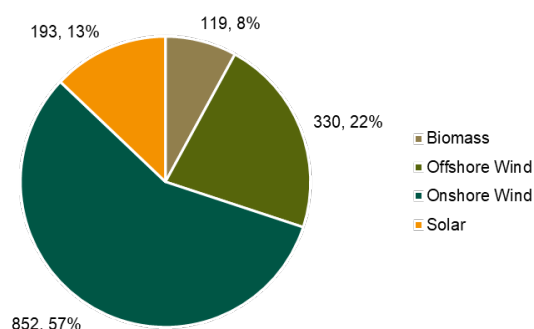
Our specialist and international team has been working together since 2007. It comprises forty-four people based in London. The team has established a reputation for making intelligent, long-term investments that deliver absolute returns. We have market-leading experience in the development, construction,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

Over 2020 Glennmont continued its steady growth. We signed our first investments for Fund III, with an investment of €74m earmarked in Spain, and continued investing REBS I ("Renewable Energy Backed Securities", a secondary debt fund), with investments totalling €111m. Concomitantly, Glennmont has divested its entire Fund I portfolio, with the successful sales of Sleaford and our solar PV portfolio. Sibelius remains under construction, as Finland's largest onshore wind farm development, with 211 MW under construction.

Capacity (MW) by country, equity funds



Capacity (MW) by technology, equity funds



Piiparinmäki, Fund III
211 MW wind farm, Finland



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 supports 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 2020. 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
1.5 TWh produced over 2020	280+ jobs created over 2020	770,000+ GoO certificates produced	Over 400k gross CO₂ tonnes offset over 2020
Three virtual seminars hosted on the clean energy transition	Zero red traffic lights in H&S indicators across the operational assets	60.8k m ³ water used during biomass energy production over the year	Five important climate change statements or letters signed

4 Environmental

4.1 Gross Energy Production

Since inception, Glennmont has produced over 10 TWh of clean energy from its solar PV, onshore wind, offshore wind and bioenergy assets, excluding any adjustments for Glennmont's share of the project.

	2020	Inception to Dec 2020
Fund	Clean energy produced over 2020 (TWh)	Clean energy produced to date (TWh)
Fund I	0.1	5.5
Fund II	1.0	4.4
Fund III	0.5	0.7
Total	1.5	10.6

	2020	Inception to Dec 2020
Technology	Clean energy produced over 2020 (TWh)	Clean energy produced to date (TWh)
Solar PV	0.0	1.7
Onshore Wind	0.9	6.5
Offshore Wind	0.3	0.4
Biomass	0.3	1.9
Total	1.5	10.6

A SER asset, Mount Etna behind Sicily, Italy



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

2020

25,761

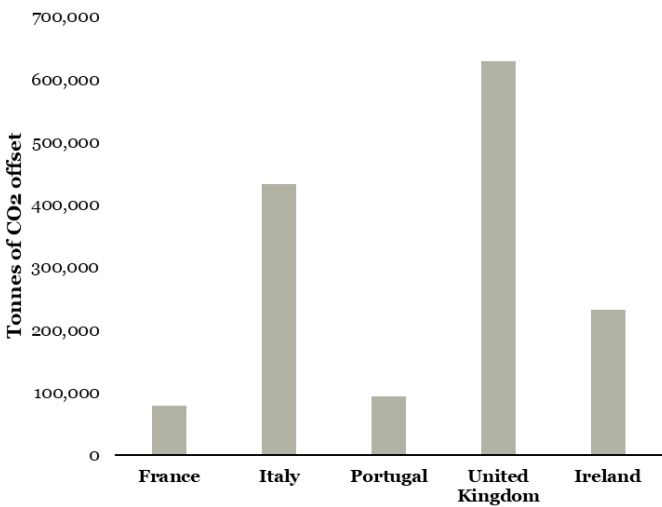
Tonnes of CO₂ offset

Portfolio to date

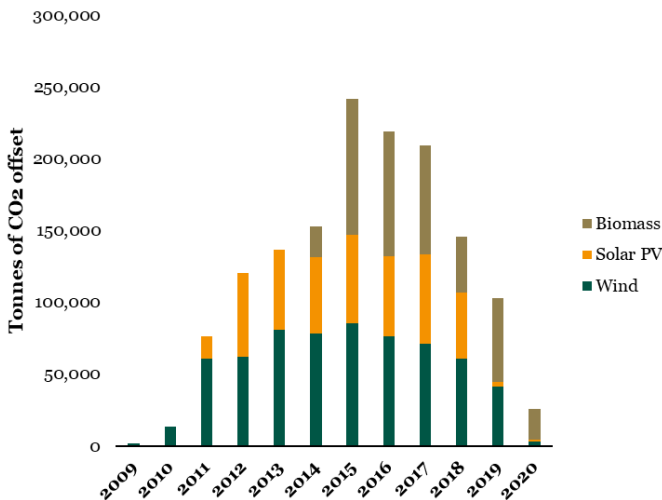
1,445,401

Tonnes of CO₂ offset

CO₂ offset by country



CO₂ offset by year



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.

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. They are not adjusted for Glennmont’s share of the project.

Fund II investments – Gross CO₂ offsets

2020

227,009

Tonnes of CO₂ offset

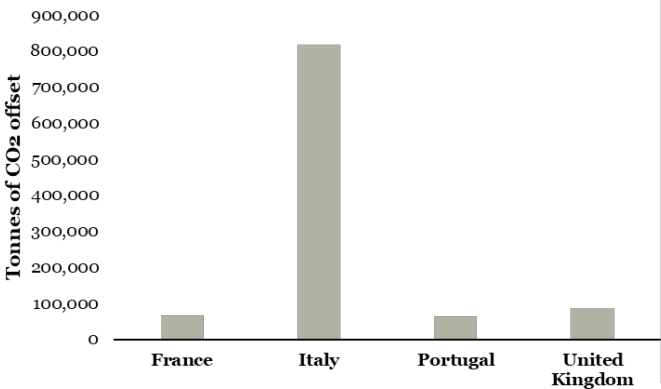
Portfolio to date

1,034,739

Tonnes of CO₂ offset

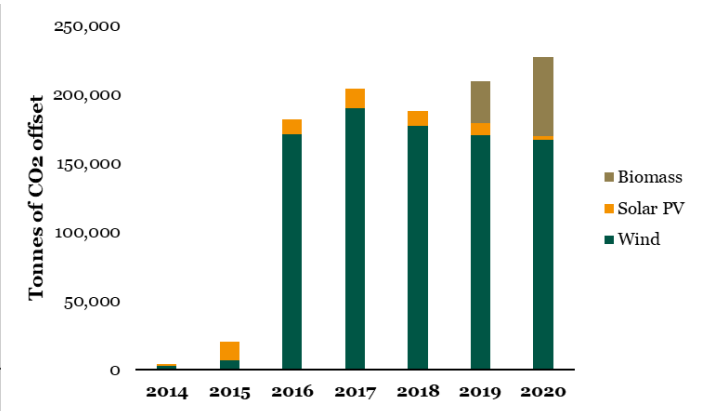
CO₂ offset by country

Inception to 2020



CO₂ offset by year

Inception to 2020



Fund III investments – Gross CO₂ offsets

2020

156,485

Tonnes of CO₂ offset

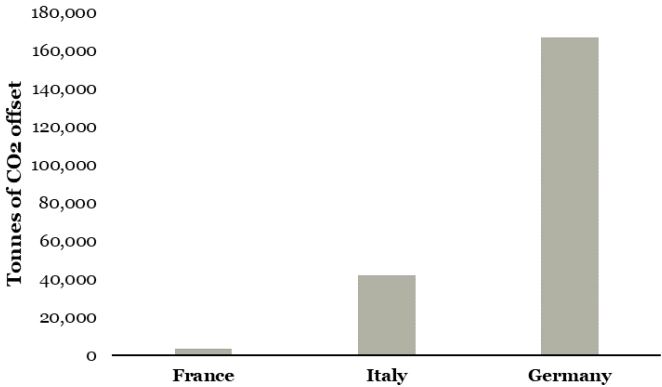
Portfolio to date

211,838

Tonnes of CO₂ offset

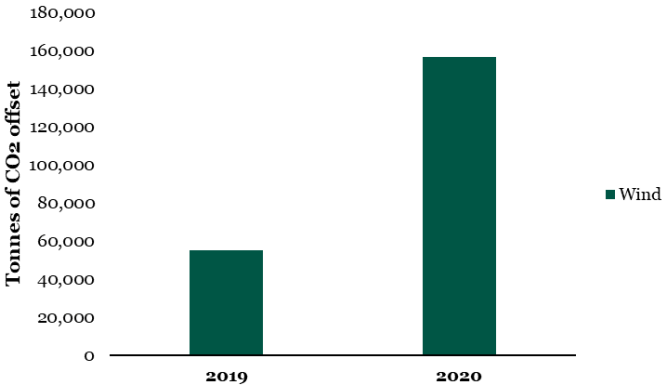
CO₂ offset by country

Inception to 2020



CO₂ offset by year

Inception to 2020



4.3 REBS and CO₂ offsets

REBS acquires the debt of projects which offset significant quantities of CO₂ through their generation of clean energy

The gross tonnes of CO₂ offset by the assets associated with the loans that REBS has acquired can be estimated as follows:

Investment	1	2	3	4	5
Acquisition date	18/12/2020	23/11/2020	05/10/2020	05/07/2019	25/01/2019
Country	Pan-European	Italy	Spain	Italy	Italy
Installed capacity (MW)	7,200	110	23	87	66
Technology	Pan-technology	Onshore wind and solar PV	Solar PV	Solar PV	Onshore wind and solar PV
Clean energy produced (MWh) p.a.	8,783,963	178,626	45,212	79,406	82,590
Grid intensity (tCO ₂ /MWh)	0.248	0.305	0.250	0.305	0.305
Gross tonnes of CO ₂ offset p.a.	2,177,563	54,517	11,285	24,235	25,206

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.
- The clean energy produced is an estimate based on the most recent information available on the project's production, either projected or actual.
- As a debt holder, in some instances a junior debt holder, further granularity on the energy production figures is not available.

A SER asset, Mount Etna behind
Sicily, Italy



4.4 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 2020 was substantially lower than 2019 and 2018's due to the project being divested part-way through the year. We have started to provide water consumption for 2020 for Fund II biomass as Margam is now operational.

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
2020 water consumption (m ³)	19,255	41,596	60,851
Water consumption over previous three years (m ³)	110,752	41,596	152,348
Average water consumption over previous three years (m ³)	36,917	13,865	50,782

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
2020	0+	€460,000+	€74,000	€534,000+
2019	0+	€600,000+	N/A	€600,000+
2018	€43,000+	€2,200,000+	N/A	€2,243,000+

Andali, Fund III
36 MW wind farm, Italy



5.2 Community Activity Examples

Fund I Projects

Glennmont's Fund I sold Sleaford, a 39 MWe biomass plant in Lincolnshire, in Q2 2020, the final divestment from the Fund. The activities below relate to the period prior to divestment.

1 Sleaford - Community Power Fund

In 2019 Sleaford 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.

The inaugural meeting of the Sleaford REP Community Power Fund was held on site in January 2020 with 11 attendees, and a second meeting followed in May 2020.

2 Sleaford - site visits

Prior to the onset of the COVID-19 pandemic, Sleaford continued to host site visits from organisations including, in January, 12 people from the Lincolnshire Wildlife Trust, and another 12 from Southwell U3A.

After the Lincolnshire Wildlife Trust's visit, the plant was advised to enter into the Lincolnshire Environmental Awards, in the Business section. The awards were to be held in Q2 2020 but have been sadly postponed due to COVID-19. They will now be held in 2021 and, whilst we no longer hold the plant, we look forward to hearing how the plant fares in the competition.

3 Sleaford - local district heating network

Sleaford continues, at the point of Glennmont's sale, 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.

Fund II Projects

1 GEMS assets – community activities

GEMS, Glennmont's Fund II Italian assets and their management company "Green Energy Management Services" (GEMS), continue to fund a variety of activities carried out by the local municipalities. Payments were made over 2020 to the municipalities of Sambuca di Sicilia, Francavilla di Sicilia, Sant'Agata di Puglia, San Piero Patti, San Giovanni Lipioni, Montalbano Elicona, Comune di Melfi, and Antillo. The funds will be used to support a wide variety of projects such as the waterproofing and insulation of kindergarten buildings, the purchase of school furniture, and the supply of awnings and improvement of energy efficiency at a middle school gym.

2 GEMS management company – ESG activities

The GEMS management company carried out over 500 hours of training courses in 2020, of which 15-20% were on environmental and safety issues.

The management company also made a variety of donations: €1,000 was paid as a donation to a public health campaign promoted by the Gestore Servizi Energetici ("GSE"), '1kWh FOR THE COUNTRY', in response to the COVID-19 pandemic; €1,000 was provided to Telethon for a promotional campaign for research on genetic diseases; €860 was given to the Sicilian Association of Primary Immunodeficiencies, Department of Pediatric Oncohematology of Palermo, for the promotional campaign "Christmas Sweetly Useful 2020"; and €500 was provided each to two GEMS workers who became parents.

3 Margam – Community Benefit Fund

Margam's Community Benefit Fund continues to award payments: £1,872 was provided to the Margam Youth Centre to assist with improved car parking facilities, £6,000 was provided to the Margam Mountain Bike Club to create new mountain bike routes in Margam park; and £2,748 was provided to the Traditional Shotokan Karate Club to fund the purchase of training equipment, matting and storage.

The funding of the bike trail has been called a "huge success" with an uptick in membership of the club since the reopening of the park.

GEMS logo



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 operational plants across the EU each year.

Fund I		2020			
Plant	Q1	Q2	Q3	Q4	Comment
Piano San Biagio	●				<ul style="list-style-type: none"> Sleaford: in Q1 2020, there were five minor incidents reported at Sleaford. One of these was a minor first aid incident: the injured party (IP) twisted their ankle whilst descending a stairway. IP was sent to A&E with a swollen ankle and put on light duties. This was identified as a lost time incident as the IP missed the next shift but returned to work the following shift after that. All staff were reminded to take care when around the site. <p>No Q2, Q3, or Q4 data presented for Piano San Biagio and Sol Cativante V as these assets were sold in Q1/Q2 2020.</p> <p>No Q3 or Q4 data presented for Sleaford as the asset was sold in Q2 2020.</p>
Sleaford	●	●			
Sol Cativante V	●				

Fund II		2020				Comment
Plant	Q1	Q2	Q3	Q4		
Alcantara Nord	●	●	●	●	<ul style="list-style-type: none">Arrouaise: plots or rocks need to be installed near a dangerous area due to a steep platform.	
Alcantara Sud	●	●	●	●		
Arrouaise	●	●	●	●		
Brie	●	●	●	●	<ul style="list-style-type: none">Saint Quentin Nord: the doors of the wind turbines were found open several times. An anti-intrusion system has been installed.	
Galerie Frencq	●	●	●	●		
Galerie Fresnoy Folny	●	●	●	●		
Lago Arancio	●	●	●	●	<ul style="list-style-type: none">Rocca Ficuzza: during the closing of a gate near to a WTG, it fell to the ground.	
Lisbon Coruche	●	●				
Lisbon Seixal	●	●				
Lucana	●	●	●	●	No Q3 or Q4 data presented for Lisbon Coruche or Lisbon Seixal as these assets were sold in Q2 2020.	
Margam	●	●	●	●		
Nebrodi Est	●	●	●	●		
Nebrodi Nord	●	●	●	●		
Nebrodi Ovest	●	●	●	●		
Renneville	●	●	●	●		
Rocca Ficuzza	●	●	●	●		
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		2020				Comment
Plant	Q1	Q2	Q3	Q4		
Andali	●	●	●	●	<ul style="list-style-type: none">At Godewind, in Q2, a technician cut his head on a hydraulic hose coupling, with minor first aid needed. There was also, in Q2, a near miss with an object being dropped without consequence.	
Gode Wind	●	●	●	●		
Goudelancourt	●	●	●	●		
Minerva	●	●	●	●		
Methodology for each Fund						
<ul style="list-style-type: none">A red light indicates that there was an incident on the site.						
<ul style="list-style-type: none">A yellow light indicates that there was an issue at the site.						
<ul style="list-style-type: none">A green light indicates that there were no near misses or accidents on the site during that quarter.						

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 over 3,000 to date.

	Fund I	Fund II	Fund III	Total
Job-years created over 2020	25	180	79	284
Job-years created to date	2,081	900	113	3,095

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.

Piiparinmäki, Fund III
211 MW wind farm, Finland



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 flora, fauna, and noise 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. At our Fund II and Fund III Italian wind assets, 44 external inspections were carried out, related to safety and the environment, on contractors and subcontractors, and 27 internal security audits. Plant contractors also coordinate assessments comprised of quarterly checks of noise, water quality, oil and dust pollution at our UK biomass assets.

Lago Arancio, Fund II
44 MW wind farm, Italy



7.2 Environmental and Social Responsibility

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

Fund I		2020				Comment
Plant	Q1	Q2	Q3	Q4		
Piano San Biagio	●				<ul style="list-style-type: none">Sleaford: in Q1 2020, an oil spill at the barrier was contained by a spill kit; a small aqueous ammonia spill following a pump failure was contained and dealt with; and an oil leak from a flexible joint on the steam turbine oil system was contained and the joint replaced. <p>No Q2, Q3, or Q4 data presented for Piano San Biagio and Sol Cativante V as these assets were sold in Q1/Q2 2020.</p> <p>No Q3 or Q4 data presented for Sleaford as the asset was sold in Q2 2020.</p>	
Sleaford	●	●				
Sol Cativante V	●					

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



Fund II					
2020					
Plant	Q1	Q2	Q3	Q4	Comment
Alcantara Nord	●	●	●	●	<ul style="list-style-type: none"> Margam: in November, there were 5 occurrences of emissions exceeding the 30-minute average Emission Limit Values (ELV). NRW confirmed no further penalties for TOC breaches, MGEL has been given until 30th November 2021 to improve combustion and TOC results. Source de la Sensee: an aviation light was noticed to be defective and was subsequently replaced.
Alcantara Sud	●	●	●	●	
Arrouaise	●	●	●	●	
Brie	●	●	●	●	
Galerie Frencq	●	●	●	●	
Galerie Fresnoy Folny	●	●	●	●	
Lago Arancio	●	●	●	●	
Lisbon Coruche	●	●			
Lisbon Seixal	●	●			
Lucana	●	●	●	●	
Margam	●	●	●	●	
Nebrodi Est	●	●	●	●	
Nebrodi Nord	●	●	●	●	
Nebrodi Ovest	●	●	●	●	
Renneville	●	●	●	●	
Rocca Ficuzza	●	●	●	●	
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					
2020					
Plant	Q1	Q2	Q3	Q4	Comment
Andali	●	●	●	●	<p>Methodology for each fund</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.
Gode Wind	●	●	●	●	
Goudelancourt	●	●	●	●	
Minerva	●	●	●	●	

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

	<ul style="list-style-type: none"> Renewable UK is a trade association for wind power, wave power and tidal power industries in the United Kingdom Glennmont joined Renewable UK at the start of 2021
	<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 Renewable Energy Association (“REA”) represents British renewable energy producers and promotes renewable energy 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
	<ul style="list-style-type: none"> The Portuguese Renewable Energy Association (“APREN”) represents Portuguese renewable energy producers and promotes renewable energy in the electricity sector BNZ (“Beyond Net Zero”), an independent power producer established by Glennmont’s Fund III, joined APREN in 2020

8.4 Clean Energy Industry Contributions

Activity	Party
1 Climate Change Statements and Letters	
<p>Glennmont signed five letters through the IIGCC in 2020, available online:</p> <ul style="list-style-type: none"> A letter to European Commission officials calling for the development of a robust methane policy. A letter to the UK government requesting a clean, inclusive and resilient recovery plan. An open letter to EU leaders from investors calling for a sustainable recovery from COVID-19. A CEO advocacy letter to EU heads of state calling for the worst effects of climate change to be avoided and a sustainable, competitive economic recovery to be secured. A CEO letter to the UK Prime Minister calling for the UK to establish ambitious 2030 Nationally Determined Contributions ("NDCs"), in line with the UK's net zero 2050 target. 	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 2020 they generated nearly 800,000 GOs. These were made up of: Finpower, 108,215 GOs; Lucana, 17,896 GOs; Andali, 48,413 GOs, and SER 382,198 GOs; and Margam, 221,608 REGOs. This excludes REGOs from Sleaford as the asset was sold in Q2 2020. 	Glennmont team TCMAs
3 Glennmont Seminars	
<p>Glennmont held three virtual seminars to discuss the clean energy transition. The speakers included:</p> <ul style="list-style-type: none"> Alan Whitehead, British Labour Party Member of Parliament and Shadow Minister for Energy and the Green New Deal. Eric Usher, head of the UN Environment Programme Finance Initiative (UN PFI). Lord Turner, former Chairman of the Financial Services Authority (FSA). 	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"> Smart Wind Forum, May 2020 Asset Life Optimisation Forum, June 2020 Renewables UK Global Offshore Wind V-Fest, July 2020 Infrastructure Investor Seoul Summit, September 2020 Grant Thornton conferences, October 2020 Finance Community Week, November 2020 Inspiratia webinar, November 2020 Solarplaza Europe webinar, November 2020 PEI Responsible Investment Forum, November 2020 	Glennmont team

5 Organisation Activity

- UNPRI: in the 2020 assessment, Glennmont received an 'A+' grade for the 'Infrastructure' module and an 'A+' grade for Strategy and Governance, both higher than the respondent medians of 'A'.
- GRESB: in its second year partaking in the assessment, Glennmont received a Management Score of 27/30 for both Fund II and Fund III, against a GRESB Benchmark Score of 25/30, and a GRESB Average Score of 25/30.
- APREN: BNZ is an independent clean energy power producer established by Glennmont's Fund III. In 2020 BNZ joined APREN, the Portuguese Renewable Energy Association, to help contribute to the representation of the renewable energy industry.
- REA: Peter Dickson, Partner and Technical Director, remains a member of the Steering Group for the REA Finance Forum.
- GWEC: Peter Dickson is also a member of the steering group for the Global Wind Energy Council's COP26 preparation group

Glennmont
team

Envision mentoring programme
A screenshot of a session in progress



Bristol Gulls
The rowers in action



8.5 Management Company Sustainability Initiatives

Activity	
1	Sustainability Committee <p>The Sustainability Committee meets on a monthly basis to discuss ESG and sustainability considerations at asset- and firm-level, and initiate ESG activities. The membership of the Sustainability Committee is drawn from across senior management, the investment team, and the asset management team, and comprised of permanent and rotating members.</p>
2	Carbon Trust <p>Glennmont has commissioned Carbon Trust to produce a carbon footprint of its management company operations for 2020, covering the firm's scope 1 and 2, and upstream scope 3 carbon footprints. The final results will be available later in 2021.</p>
3	Envision <p>Glennmont's team are volunteering in Envision's Community Apprentice programme:</p> <ul style="list-style-type: none"> The programme, which commenced in late 2020, involves mentoring students at schools in London, through a series of sessions, culminating in their taking part in a 'Community Apprentice' finale. Seven members of the team took part as mentors, while Claudio Vesco, Managing Director, was one of the judges on a separate Community Apprentice panel arranged by Envision.
4	Sutton Trust <p>Glennmont's team took part in the Sutton Trust's Pathways to Banking and Finance summer 2020 conference, producing materials for the partaking students. Building on that experience, Glennmont hosted two students from the Sutton Trust for virtual work experience placements in April 2021.</p>
5	University College London <p>Glennmont has engaged in an advisory capacity with researchers at UCL on their innovative European Research Council funded LINKS initiative:</p> <ul style="list-style-type: none"> LINKS is an ERC funded project (2019 - 2024) focusing on the role of the financial system to boost the low-carbon transition hosted at UCL Institute for Sustainable Resources. Members of the Glennmont team meet with the UCL researchers throughout the year to discuss their work.
6	Bristol Gulls <p>Glennmont sponsored the Bristol Gulls to row across the Atlantic in an "eco rowing boat" to raise awareness of plastic pollution and ocean safety, with funds raised going to the RNLI and Clean Up Bristol Harbour.</p>
7	Activity Pipeline <p>Glennmont is also:</p> <ul style="list-style-type: none"> in discussion with an Italian university about sponsoring research into battery storage; arranging for a granular carbon footprint of a solar PV plant; and to commence outdoor volunteering initiatives with the wider team when permissible under COVID-19 regulations.

9. Key ESG Contacts

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