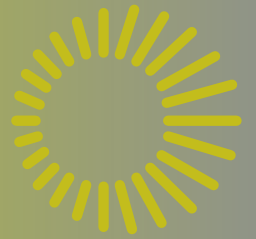


GREENCOAT  
UK WIND



# ESG REPORT 2023

GREENCOAT UK WIND PLC







UKW plc  
reaffirms its  
**commitment**  
to be a  
**catalyst for**  
**positive**  
**change** in the  
global fight  
against climate  
change

## 2023 HIGHLIGHTS

49

Total number of operating assets

4,743 GWh

Renewable electricity generated

1.8m

Homes powered

1.9m

Tonnes of CO<sub>2</sub> avoided

£4.4m

Grants to charities and community  
benefit organisations

893

Number of community funds and  
social projects invested in

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# 1.0

## Greencoat UK Wind overview





Greencoat UK Wind believes that sustainability and long term value creation are fundamentally aligned."

**Lucinda Riches CBE**  
Chair

## 1.1 Foreword

**We are pleased to present Greencoat UK Wind's Environmental, Social and Governance ('ESG') Report for 2023.**

**The evidence presented in the most recent reports by the United Nations (UN) Intergovernmental Panel on Climate Change and the sobering words of the UN Secretary-General during COP28 underscore the environmental challenges we face: 'We are living through climate collapse in real time and the impact is devastating' (UN Secretary-General António Guterres, 30 November 2023). The world may be at a tipping point, with commitment needed to mitigate climate change in the next decade.**

In light of this, Greencoat UK Wind ("the Company") reaffirms its commitment to being a catalyst for positive change in the global fight against climate change. Since 2013, the Company has provided investors with an opportunity to be part of the UK's energy transition by participating directly in the ownership of UK wind farms while generating a sustainable and transparent income stream and return. We have seen tremendous growth and opportunity, solidifying our position as the largest renewables infrastructure fund and as one of the largest owners of wind farms in the UK.

In 2023, we expanded our portfolio with the acquisition of four new assets, bringing our total to 49 onshore and offshore wind farms. During the year, our portfolio generated a total of 4,743GWh, avoiding 1.9 million tonnes of carbon dioxide (CO<sub>2</sub>) and powering around 1.8 million households in the UK during 2023.<sup>(1)</sup> As of 31 December 2023, our 2GW portfolio is capable of generating 6,325GWh per annum, which is sufficient to avoid 2.5 million tonnes of CO<sub>2</sub> and power around 2.3 million households in the UK.<sup>(2)</sup> Greencoat UK Wind is well positioned to support the UK's renewable energy sector expansion and to play a crucial role in the transition towards a net zero economy.

Our dedication to responsible investment practices is embodied in our robust ESG Policy. We believe that sustainability and long term value creation are fundamentally aligned. By managing our ESG issues effectively, we can maximise returns for our investors and create positive benefits for the communities and natural environments in which our wind farms operate. This commitment is amplified by the strong ESG track record of Schroders Greencoat ("the Manager"), which has been a signatory to the Principles for Responsible Investment ('PRI') since 2016.

Our impact extends beyond renewable energy production: our community funds have awarded £4.4 million in grants to charities and community organisations over the past year. These contributions benefit local people, wildlife and habitats, reinforcing our belief in being a responsible business.

Our 2023 ESG Report highlights the progress we have made over the past year in furthering our commitment to sustainable investment. It also outlines how we have implemented measures and carried out activities aligned with the UN Sustainable Development Goals ('SDGs'), delivering value to our shareholders and local communities. We are proud of our progress in 2023, and we look forward to sharing further updates in 2024. We are determined to continue playing our part in the acceleration in the development of the UK's wind energy sector and to contribute to a more sustainable and resilient future for generations to come.

**Lucinda Riches CBE**  
Chairman

(1) Calculated based on actual generation figures as of 31 December 2023.

(2) Calculated using estimated generation based on run rate figures as of 31 December 2023.



## 1.2 About us

Greencoat UK Wind PLC ("the Company") is the leading renewables infrastructure fund listed on the London Stock Exchange, specialising in onshore and offshore wind farms across the UK. The Company is managed by an experienced team of senior executives from Schroders Greencoat<sup>(3)</sup> ("the Manager"), a specialist investment manager of renewable energy infrastructure. The Company is the largest listed renewables infrastructure fund<sup>(4)</sup> and stands as one of the largest owners of wind farms in the UK.

In the global landscape, renewable energy emerges as a multitrillion-dollar asset class, projected to grow by over £100 billion annually in the coming decade. To deliver the net zero transition, significant external financing is required to bridge the gap between capital availability and the technical expertise required for effective management of these assets. Our mission is to provide the necessary financial, technical and operational expertise to secure returns for our clients in pursuit of the net zero transition.

In 2023, our wind farms contributed significantly to the net zero transition and were capable of generating 6,325GWh of renewable electricity per annum at the end of the year. As of 31 December 2023, the Company's portfolio consists of over 2GW of installed capacity across 49 operational onshore and offshore wind farms. This portfolio continues to address the energy and climate crisis, with a capacity to produce sufficient clean electricity to power around 2.3 million homes and avoid 2.5 million tonnes of CO<sub>2</sub> emissions annually by displacing thermal generation.<sup>(5)</sup>

The Company is the leading listed renewable infrastructure fund, with a market capitalisation of approximately £3.5 billion, as of 31 December 2023. The Company has also been a constituent of the FTSE 250 Index since 2016 and is classified as a Green Economy Mark Issuer by the London Stock Exchange,<sup>(6)</sup> underscoring its dedication to complying with its environmental responsibilities and achieving outstanding financial results.

Our strategy is to invest in operating UK wind farms, providing shareholders with a dividend that grows in line with the retail price index ('RPI') inflation and preserving capital in real terms by reinvesting excess cash into additional operating UK wind farms. Since the Company's listing, the Net Asset Value ('NAV') per share has demonstrated remarkable growth and has consistently outpaced RPI. The dividend has increased by at least RPI every year since listing in 2013, with the dividend target for 2024 increasing by 14.2% (to 10 pence per share), significantly in excess of a RPI of 5.2% in December 2023. The NAV has also increased by 64% versus an RPI growth of 52% with consequent significant reinvestment above target into new wind generation capacity.

As the first renewables infrastructure fund to list on the London Stock Exchange Main Market, we have not only proven the viability of renewables infrastructure but have also significantly contributed to the sector's attractiveness for private investment. By offering investors direct participation in the ownership of UK wind farms, we are playing a pivotal role in accelerating the growth of the renewable energy sector and facilitating the UK's transition to a net zero economy through the mobilisation of capital and resources.

(3) In 2022, Schroders PLC completed the acquisition of a 75% shareholding in Greencoat Capital, now known as Schroders Greencoat.

(4) UK Wind was the largest listed renewables infrastructure fund by market capitalisation as of 31st December 2023.

(5) Calculated using estimated generation based on run rate figures as of 31 December 2023.

(6) Green Economy Report 2023 (londonstockexchange.com).

### Onshore wind



42

Total

1,473MW

Net capacity<sup>(7)</sup>

### Offshore wind



7

Total

534MW

Net capacity<sup>(8)</sup>

(7) Including 311MW net capacity acquired in 2023

(8) Including 86MW net capacity acquired in 2023

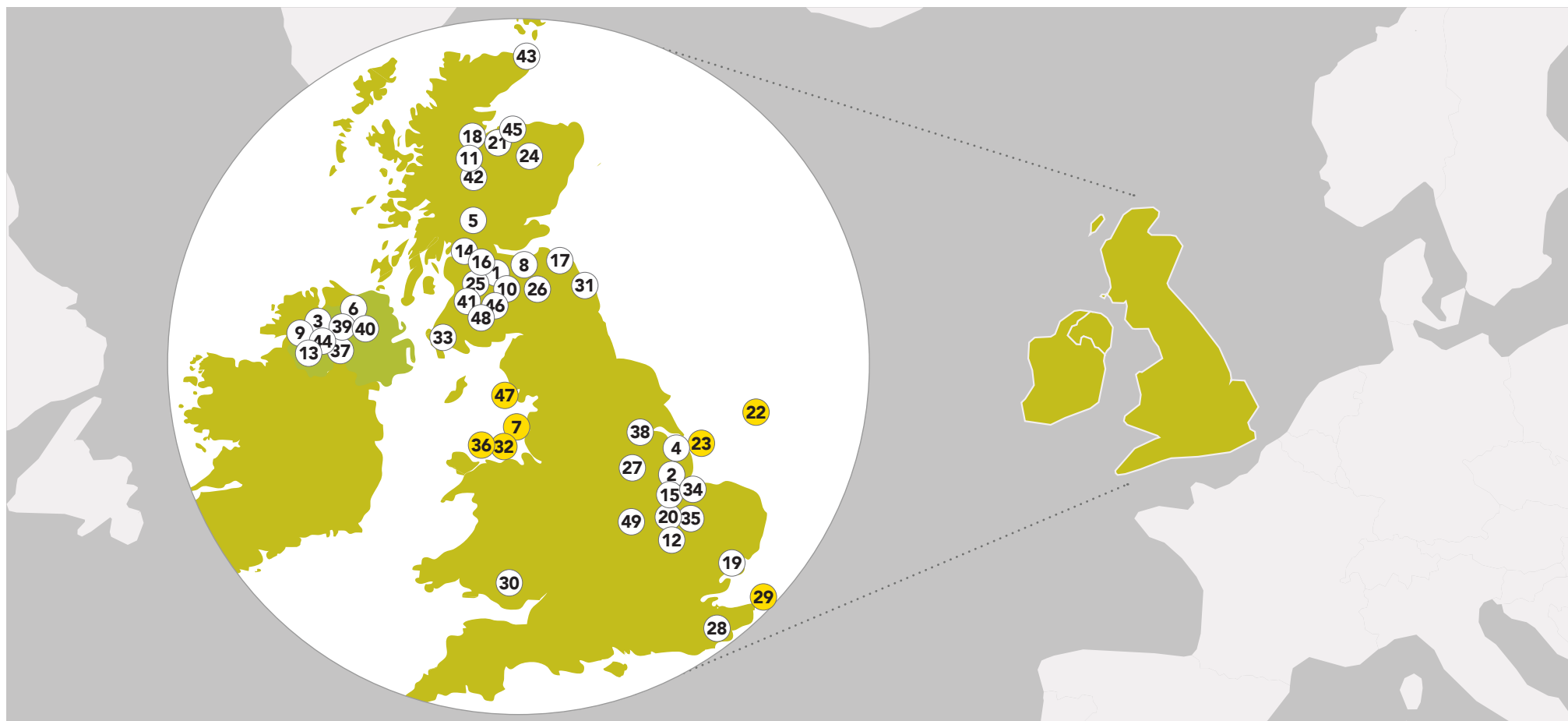


## 1.2.1 Investment Portfolio

## Key

○ Onshore wind

● Offshore wind



- ① Andershaw
- ② Bicker Fen
- ③ Bin Mountain
- ④ Bishopthorpe
- ⑤ Braes of Doune
- ⑥ Brockaghboy
- ⑦ Burbo Bank Extension
- ⑧ Carcant
- ⑨ Church Hill

- ⑩ Clyde
- ⑪ Corriegarth
- ⑫ Cotton Farm
- ⑬ Crighshane
- ⑭ Dalquhandy
- ⑮ Deeping St Nicholas
- ⑯ Douglas West
- ⑰ Drone Hill
- ⑱ Dunmaglass

- ⑲ Earl's Hall Farm
- ⑳ Glass Moor
- ㉑ Glen Kyllachy
- ㉒ Hornsea 1
- ㉓ Humber Gateway
- ㉔ Kildrummy
- ㉕ Kype Muir Extension
- ㉖ Langhope Rig
- ㉗ Lindhurst

- ㉘ Little Cheyne court
- ㉙ London Array
- ㉚ Maerdy
- ㉛ Middlemoor
- ㉜ North Hoyle
- ㉝ North Rhins
- ㉞ Red House
- ㉟ Red Tile
- ㊱ Rhyl Flats

- ㊲ Screggagh
- ㊳ Sixpenny Wood
- ㊴ Slieve Divena
- ㊵ Slieve Divena 2
- ㊶ South Kyle
- ㊷ Stronelairg
- ㊸ Stroupster
- ㊹ Tappaghan
- ㊺ Tom nan Clach

- ㊻ Twentyshilling
- ㊼ Walney
- ㊽ Windy Rig
- ㊾ Yelvertoft



## 1.3 What ESG means to us

Our commitment to ESG principles is integral to achieving our business objectives and maximising the positive socioeconomic impact of wind energy.

Rooted in our investment philosophy, culture and leadership approach, we firmly believe that effective management of ESG factors benefits our shareholders and contributes to the wellbeing of wider society. We recognise a strong link exists between positive ESG performance and overall business success. As a result, we believe in the importance of having a robust ESG management and governance structure, while continuously engaging with industry stakeholders to inform our ESG knowledge and to champion responsible investment.

Our approach to risk management ensures that ESG related risks and opportunities are identified, mitigated and managed throughout the life cycle of the assets we manage. This is achieved by embedding ESG factors into our pre-investment processes through robust due diligence, ongoing asset management protocols and monitoring performance during operations to ensure a comprehensive approach to sustainability.

Additionally, the Manager is committed to allocating resources towards the development of internal ESG capabilities within its teams and incorporating these considerations into our day-to-day operations.



Clyde

## 1.4 Our ESG focus areas

In this report, we explore the issues of most importance to our business, the impact they have on our stakeholders and, where appropriate, the contributions they make to SDGs.

**We consider the following ESG topics to be material and of the highest priority**

### Environmental



- Renewable energy
- Carbon emissions
- Climate change
- Biodiversity and conservation
- Circular economy

### Social



- Employee relations and diversity
- Health and safety
- Local communities

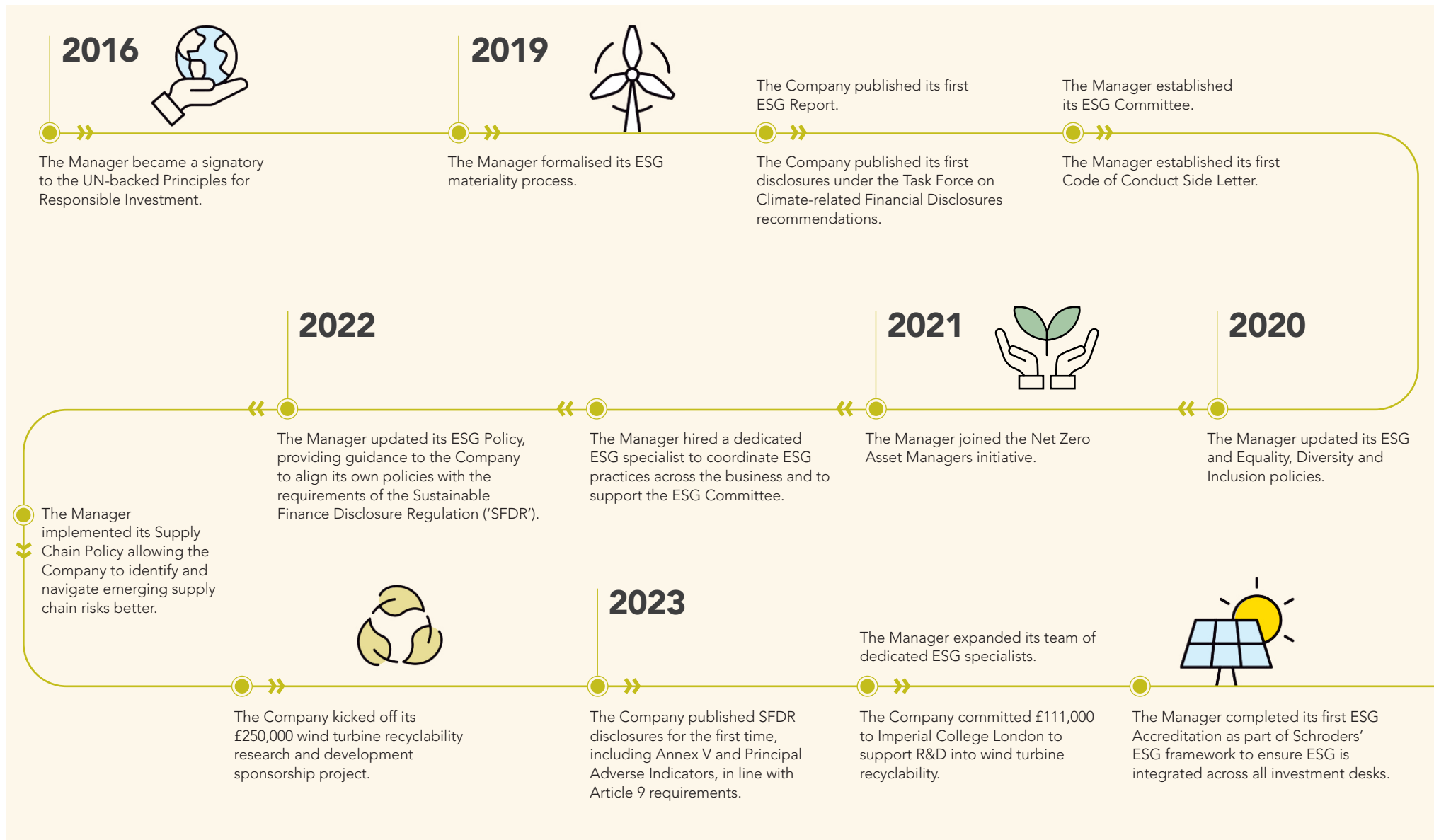
### Governance



- Management practices
- Business ethics
- Cybersecurity
- Human rights and modern slavery

## 1.5 Our ESG timeline

As we continue our ESG journey, we will look for opportunities to strengthen our risk management and ESG systems based on best practice.



(9) Before 2022, Schroders Greencoat was previously known as Greencoat Capital.



## 1.6 Key activities in 2023

In 2023, we reached a number of important milestones in growing our asset portfolio and, in turn, helped to strengthen the UK's supply of renewable energy and avoid carbon emissions. These developments include:

- ✓ Acquiring a 100% stake in Dalquhandy onshore wind farm in June 2023.
- ✓ Acquiring a 13.7% stake in London Array offshore wind farm in August 2023
- ✓ Acquiring a 100% stake in South Kyle onshore wind farm in September 2023
- ✓ Acquiring a 49.9% stake in Kype Muir Extension onshore wind farm in December 2023
- ✓ Continuing to work on implementing the recommendations from the Task Force on Climate-related Financial Disclosures
- ✓ Continuing to report and disclose Scope 1, 2 and 3 emissions in the 2023 Annual Report
- ✓ As an Article 9 fund, completing our first Sustainable Finance Disclosure Regulation Principal Adverse Indicators disclosure in 2023, and will continue to report on this in 2024
- ✓ A review by the Manager of its Code of Conduct to ensure it meets its good governance standards and to ensure alignment with the Organisation for Economic Co-operation and Development ('OECD') and the United Nations Global Compact ('UNGC')
- ✓ The Manager expanded its team of dedicated ESG specialists who focus on ESG matters and coordinate ESG activities across the Company

## 1.7 Highlights from 2023

### 2.01 GW

Installed net capacity under management  
(as of 31 December) (GW)

2023	2.01 GW
2022	1.61 GW
2021	1.42 GW

### 4,743 GWh

Renewable energy generated (GWh)

2023	4,743 GWh
2022	4,362 GWh
2021	2,933 GWh

### 1.8

Number of homes (equivalent)  
powered by clean energy (million)

2023	1.8
2022	1.5
2021	1.0

### £4.4m

Investment in community funds or social  
projects (million)

2023	£4.4m
2022	£4.0m
2021	£3.0m

### 49

Number of operating wind farms under  
management

2023	49
2022	45
2021	43

### 1.9m

Tonnes of CO<sub>2</sub> avoided (million)

2023	1.9m
2022	1.7m
2021	1.2m

### 100 (49 assets)

Percentage and number of assets that  
have habitat management plans or any  
environmental planning requirements in place

2023	100 (49)
2022	100 (45)
2021	100 (43)

# 2.0

# Our approach to responsible investment



## 2.1 Our approach to ESG management

### TCFD: Governance



ESG management is delegated to the Manager's team, with oversight from the Company's Board of Directors. The Manager employs dedicated specialists who focus on ESG matters and coordinate activities through the ESG Committee. In practice, ESG responsibilities are executed through various teams and committees, including:



ESG integration aims to enhance the risk and return profile of the Company by incorporating sustainability considerations into the traditional investment analysis process. This approach focuses on maximising the positive impacts of our investments, such as renewable electricity production, which supports the net zero transition through the avoidance of greenhouse gas ('GHG') emissions while avoiding or mitigating any material negative effects or risks.

As a leading specialist infrastructure investment manager in Europe, the Manager is committed to incorporating responsible investment principles into its daily operations. The organisation is an advocate for the effective and sustainable operation of the UK's renewable energy sector, promoting good governance and ethical business conduct in the businesses it manages.

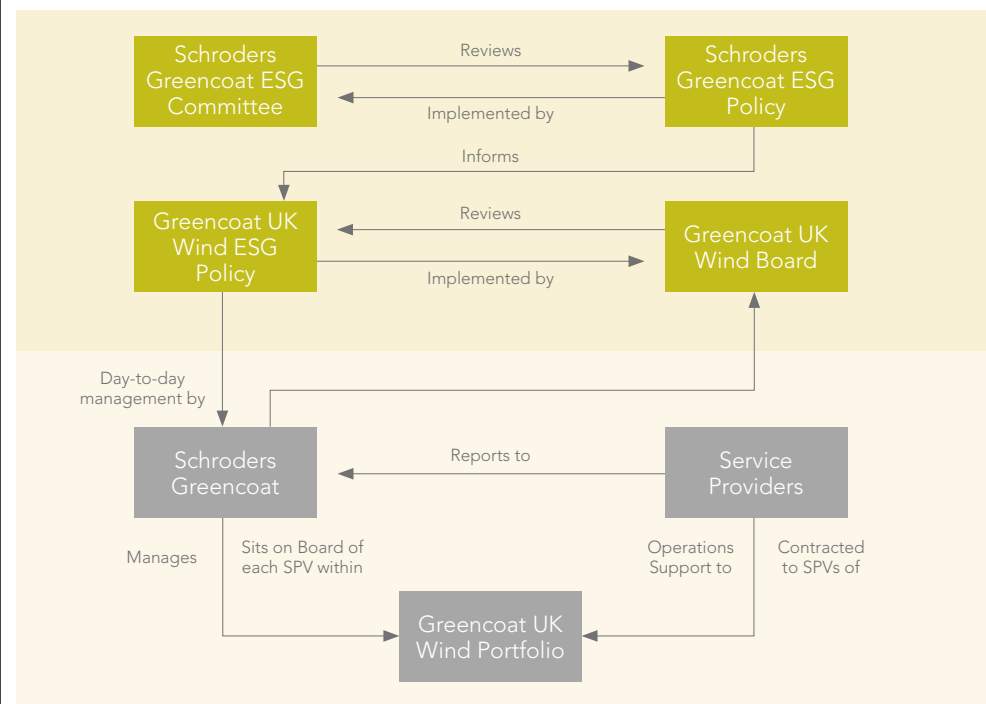
The **Manager's ESG Policy** provides guidance and principles for the integration of ESG considerations across the businesses under its management. The ESG Policy accommodates diverse, material ESG factors associated with the various assets it manages, such as those related to wind, solar and energy transition technologies. The ESG Policy is reviewed annually and approved by the Manager's Risk Management Committee and the Policy and Procedures Committee.

Nominated employees of the Manager, appointed to the SPV boards, actively participate in the governance of operating wind farm companies, overseeing performance, particularly in relation to ESG matters, through quarterly board meetings. The Manager provides quarterly reports to the Company's Board, encompassing production data, wind farm availability, key events, and health and safety performance.

Throughout the investment decision making and asset management processes, the Manager identifies potential areas of risk and opportunity that could impact the value and performance of investments. Responsible actions across all operational areas are crucial to maintaining stakeholder trust and, as a result, our aim is to incorporate material ESG factors into these processes in the same balanced way we do with other key investment performance risks.

The Manager's ESG Policy commits us to integrating responsible investment objectives into our business. This commitment is further grounded in our own **ESG Policy**, emphasising the importance of a clear focus on best practice ESG management for enhancing returns and creating long-term value for investors.

Figure 1 Greencoat UK Wind's ESG management framework



The **Company's ESG Policy** outlines specific areas of focus, which are illustrated in Figure 2. These, along with other material ESG factors identified, are incorporated into pre-investment screening, reported to the Investment Committee and managed in alignment with the Manager's broader policies and practices after acquisition.

Figure 2



The Manager systematically assesses how relevant ESG factors should be managed, both before any investment is made and continuously throughout the life of each wind farm.

### Due diligence on initial investment

ESG factors are documented during due diligence, and the Investment Committee considers them, along with any mitigation plans, prior to making investment decisions. More specifically, Investment Committee papers include a dedicated ESG section that covers the key sustainability risks and opportunities by reporting on, for example:

- Environmental factors, including planning conditions, habitat and wildlife management plans, environmental impact assessments and due diligence reports that may include specific physical or transition risks related to climate change.
- Social factors, including health and safety, compliance with regulations, and community fund agreements and engagement.
- Governance factors, including highlighting any issues there may be in the structure of the group to be acquired such as anti-bribery and corruption, anti-money laundering ('AML') and service provider due diligence.

When potential sustainability risks are identified as part of the due diligence process, they are either mitigated to an appropriate extent and accepted, or rejected if the sustainability concerns are sufficiently material that they cannot be easily remediated following acquisition or that exceed risk tolerances.

### Operating the assets

Following investment, representatives from the Manager will take at least one seat on the board of each special purpose vehicle ('SPV') and oversee all major strategic and operational decisions.

Where ownership rights permit, we aim to implement either our own or the Manager's policies, practices and responsible business management. Where we are unable to do so, we assess the existing policies before investment and use the Company's shareholder rights to the extent possible to ensure that appropriate policies are maintained. Regardless of ownership level, adherence to planning permissions and regulatory mandates, such as community fund arrangements and habitat management plans, takes precedence and is implemented.

We also regularly report and monitor ESG performance across all our assets, some of which are managed on our behalf by third party providers, covering the following topics:

- ✓ Climate change
- ✓ Minimum governance standards
- ✓ Risk register for each asset
- ✓ Health and safety incidents and practices
- ✓ Environmental matters and implemented habitat management plans
- ✓ Local community projects

To support this, we promote a culture of proactive incident reporting to enable timely remediation and we conduct due diligence and regular ongoing reviews of our service providers.



South Kyle



### 2.1.1 A robust approach to ESG management

A robust management structure enables the Manager to oversee ESG issues effectively throughout the life cycle of our wind farms. This includes the following stages and processes:

#### 1. Screening

- Identify low carbon opportunities that materially benefit the transition to a net zero economy
- Screen against investment mandate and restrictions, including ESG exclusions
- Assess the ability of the investment to comply with ESG standards
- Assess EU Taxonomy alignment for onshore and offshore wind farms

#### 2. Due diligence

- Rigorously assess ESG risks based on commitment, capacity, track record and features of the wind farm
- Determine mitigation plans if any material ESG risks are identified

#### 3. Investment decision

- Identify and address ESG factors in Investment Committee papers that inform investment decisions
- Determine and cost plans to address ESG factors and price into the investment decision making process

#### 4. Asset management

- Establish appropriate governance structures
- Comply with all relevant laws and regulations
- Ensure ongoing monitoring and management of ESG factors
- Manage impacts on the natural habitat surrounding wind farms
- Engage with and support the local community
- Perform due diligence on third parties and monitor ongoing third party adherence to the Company's and Manager's ESG policies
- Engage with key service providers to enhance performance
- Ensure business integrity with a focus on avoiding money laundering and negligent or corrupt practices

### 2.1.2 Engagement

**Engagement for us signifies proactive and purposeful communication with our key stakeholders, ranging from local communities to investors, service providers, regulatory bodies and industry experts.**

Through this engagement, we aim to enhance the profile of our investments over their lifetimes, either directly or indirectly, and generate long term value for our shareholders and all stakeholders. We seek to engage and build strong, long term relationships with high quality, experienced third parties to maintain service consistency and standards. We also aim to share knowledge across the various businesses managed by the Manager to drive operational efficiency within the Company.

Unlike some investment entities that set prescriptive engagement objectives, the Manager opts for a more tailored approach. A representative from the Manager sits on the board of each SPV, enabling the Manager to play a direct and active role in monitoring, assessing and influencing the financial, operational and sustainability performance of the investments we manage. This involvement ensures the implementation of strong governance practices.

Our discussions with relevant stakeholders are regular, continuous and dynamic, reflecting our commitment to maintaining open lines of communication and fostering collaborative relationships.

As a leading investor in the renewable energy sector, we view engagement as a responsibility to actively promote sustainable practices throughout the industry. Our asset management team regularly attends industry initiatives including working groups and conferences and participates in consultations.

The Company also places importance on community engagement and see this as a key part of our social license to operate. In 2023, we contributed towards a total of 893 community benefit projects.



Burbo Bank Extension

## 2.2 Reporting and disclosures

We understand the importance of transparency in maintaining the trust of our stakeholders. In addition to our disclosures under SFDR and Task Force on Climate-related Financial Disclosures ('TCFD'), we produce this annual ESG report and ensure that pertinent policies and publications are available on our website. Our commitment to reporting and disclosures remains dynamic, adapting to the evolving requirements of investors, stakeholders and regulation.

### 2.2.1 EU Sustainable Finance Disclosure Regulation

The EU's SFDR requires financial market participants to provide information to investors on how sustainability risks are integrated into the investment decision making process. The objectives of SFDR include integrating sustainability into the financial system and helping steer the flow of capital towards sustainable investments.

The Manager collaborated with external legal teams to develop a robust framework that meets SFDR requirements and facilitates streamlined integration of ESG considerations at every stage of the investment period.

The Company is dedicated to advancing transparency in ESG matters. In 2023, we disclosed our SFDR level 2 disclosures and alignment to the EU Taxonomy's Technical Screening Criteria requirements. We are classified as an Article 9 fund under the SFDR, as sustainable investment is one of our objectives (as defined by SFDR). Specifically, we contribute to the environmental objective of climate change mitigation, which, through our investments, helps facilitate the transition to a low carbon economy.

Our **SFDR Disclosure Statement** is published online and is available on our website. Our periodic disclosures (Annex V) and statement on principal adverse impacts (Annex I) are included in the latest **Annual Report**, which is also available on our website.



Rhyl Flats

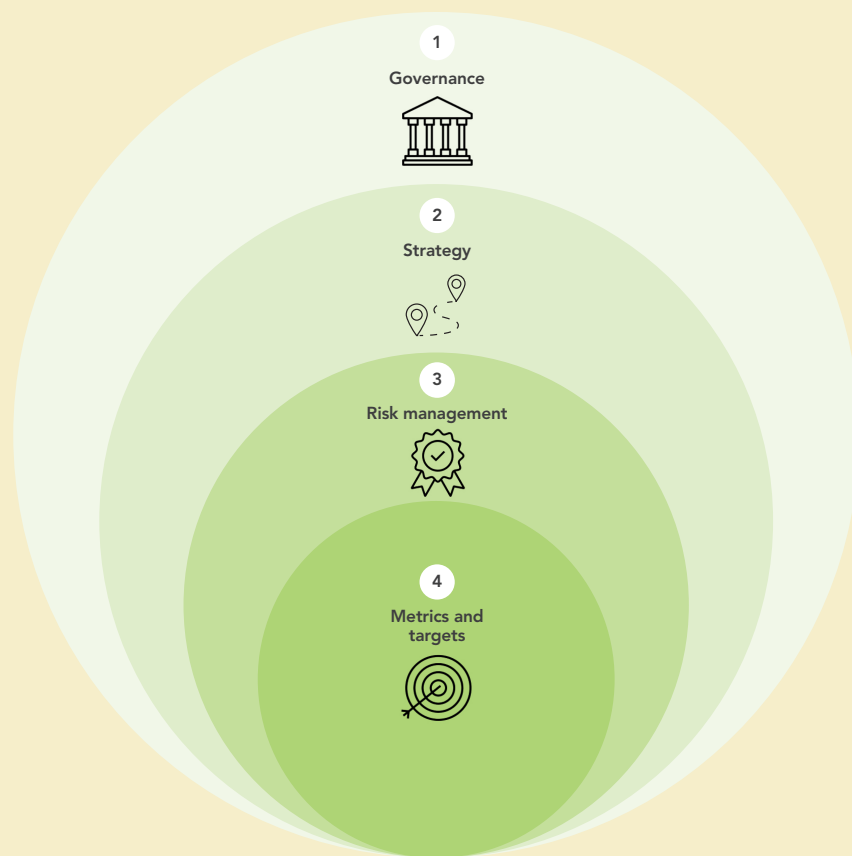


## 2.2.2 Task Force on Climate-related Financial Disclosures

The TCFD was created to improve and increase reporting of climate related financial information. The TCFD recommendations comprise a set of voluntary, consistent disclosure recommendations for use by companies when providing information to investors, lenders and insurance underwriters about their climate related risks.

The Company strives to maintain the highest standards of corporate governance and effective risk identification and management at company and asset levels. We support and align with the TCFD recommendations and refer to them for guidance to address climate related risks and opportunities across the business and to enhance our disclosure. In 2024, the Company will fall into scope of the Financial Conduct Authority's ('FCA') TCFD requirements and we will make FCA TCFD disclosures available on our website.

The recommendations of the TCFD are categorised and reported on in four thematic areas:



## 2.2.3 UK Sustainability Disclosure Requirements

In November 2023, the FCA published its Policy Statement PS23/16 setting out its final rules on UK Sustainability Disclosure Requirements ('SDR') and investment labels. The SDR will introduce a set of additional rules for sustainable investing to enable greater transparency and consistency in the market for sustainable investment products. This will involve the introduction of sustainability related product labels alongside product and entity level disclosures intended to identify products that are considered sustainable and those that are not based on sustainability related objectives and features.

The FCA has set out the following timeline for implementation:



The Company is within scope of SDR this year and is working towards completing its disclosures by the end of 2024 in accordance with the requirements. We recognise the importance of transparency in sustainability reporting and are supportive of the FCA's anti-greenwashing measures. We aim to implement the FCA's guidance on anti-greenwashing in this report and all public disclosures.

## 2.3 External initiatives and standards

### 2.3.1 UN Principles for Responsible Investment

The Manager has been a signatory to the PRI since May 2016, and has committed to adopting the six PRI principles in its business. These principles provide a voluntary framework to help investors incorporate ESG factors into investment analysis, decision making and ownership practices.

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

As of 2023, the Manager now forms part of Schroders' PRI membership, and as such completes the PRI assessment through Schroders' submission. In 2023, the Manager completed the infrastructure module of the PRI assessment, achieving 95% (5 stars). Schroders PLC received four or five stars out of five for all other modules.<sup>(10)</sup>

<sup>(10)</sup> Contact the Manager for the PRI Scorecard which sets out the results for all modules.

### 2.3.2 UN Sustainable Development Goals

The SDGs are a collection of 17 interlinked global goals designed to be a 'blueprint to achieve a better and more sustainable future for all'. The SDGs were adopted by all UN Member States in 2015 and should be achieved by 2030.

We acknowledge the importance of the SDGs in addressing the global challenges facing the international community and is supportive of the 2030 targets. Through the management of onshore and offshore wind farms, we make clear and direct contributions to affordable and clean energy (SDG 7) and climate action (SDG 13). Beyond these, we contribute to the SDGs more widely through the ways in which we operate our business and support the communities and environments where we work.



#### SDG 7

##### Ensure access to affordable, reliable, sustainable and modern energy for all

Our business focuses on owning and operating wind farms. By investing in renewable energy generation, we help to provide clean energy for all, as developers recycle capital into building more renewables infrastructure. In 2023, we generated 4,734GWh of renewable energy. Our portfolio is large enough to power the equivalent of over 2.3 million homes with clean energy.



#### SDG 13

##### Take urgent action to combat climate change and its impacts

Our portfolio contributes towards a zero carbon future. In 2023, the portfolio avoided 1.9 million tonnes of CO<sub>2</sub>. At the end of the year, our portfolio was large enough to avoid 2.5 million tonnes of CO<sub>2</sub>. Climate change measures are integrated into our policies and plans as we seek to raise awareness of how to mitigate climate change. We assess and report climate related risks and opportunities associated with our assets and take steps to reduce the carbon footprint of our portfolio.





### 2.3.3 Net Zero Asset Managers initiative

The Net Zero Asset Managers ('NZAM') initiative is an international group of asset managers who are committed to supporting the goal of net zero GHG emissions by 2050 or sooner in line with global efforts to limit warming to 1.5°C and to supporting investment aligned with net zero emissions by 2050 or sooner. NZAM has more than 315 signatories with \$57 trillion in assets under management (as of 4 December 2023).

Since becoming a signatory to NZAM in 2021, the Manager formalised its commitment to cut the intensity of its Scope 1 and 2 emissions by 50% by 2030 using the Net Zero Investment Framework methodology.

The Company continues to report its Scope 1, 2 and 3 emissions to ensure transparency around its operations. In 2023, in alignment with the NZAM initiative and as part of our ongoing decarbonisation efforts, we took measures to reduce our market based Scope 2 emissions (GHG emissions associated with electricity consumption) by switching to fully renewable tariffs for an additional 16% of the assets in our portfolio. Some assets were already on green tariffs and the Company will continue to explore opportunities as existing contracts expire and undergo renovation. The Manager will be releasing its first climate action plan in 2024 that will explain its strategy, targets and progress towards Net Zero.

NET ZERO  
ASSET  
MANAGERS  
INITIATIVE



### 2.3.4 Global Real Estate Sustainability Benchmark

The Global Real Estate Sustainability Benchmark ('GRESB') provides actionable and transparent ESG data and insights into financial markets. Several infrastructure fund managers and asset operators use GRESB to assess their ESG performance.

In 2023, Burbo Bank Extension achieved a GRESB score of 94%, while Humber Gateway completed the assessment for the first time and achieved a score of 86%.



Cotton Farm



# 3.0 Environment

As custodians of renewable energy, we understand the pivotal role our wind farms play in fostering a sustainable future by contributing to climate change mitigation. Sustainability exists at the core of our business and across our portfolio, going beyond the contribution our portfolio has towards climate change mitigation, reflecting our commitment to environmental stewardship and recognition of the profound impact our actions have on the broader community. This includes careful management and consideration of the carbon footprint associated with our investments, waste management and end-of-life use, and management of our impact on local habitats and ecosystems.



## 3.1 Climate change

The most material environmental issue impacting our portfolio is climate change. As set out in our TCFD disclosures in the **Annual Report**, we believe that the decarbonisation of the UK economy presents a significant investment opportunity. The Company's growth will be linked to the overall success of the renewable energy sector, the prominence of wind power generation in the UK and our ability to engage with key stakeholders. We remain committed to our strategy and Investment Policy of investing in operating wind assets to benefit from this opportunity.

The Company also recognises, however, that there are short, medium and long term transition risks that could impact our future financial performance linked to climate change related policy changes and potential physical risks. The Company seeks to manage these risks to mitigate their potential impact.

In this section, we set out the role the Company plays in generating renewable electricity, thereby contributing to climate change mitigation and benefiting from the opportunities this presents, as well as principal risks associated with climate change identified by the Board and Manager and how these are managed. We also disclose the greenhouse gas emissions associated with our activities, although small in comparison to the avoided carbon that our renewable electricity production enables, and our initial initiatives to reduce carbon emissions.

Please note that this section is not the TCFD disclosures for the Company. These can be found in the Annual Report. We do include TCFD indicators to help guide the reader to relevant TCFD information, however.



North Hoyle

### 3.1.1 Producing renewable energy

#### TCFD: Strategy

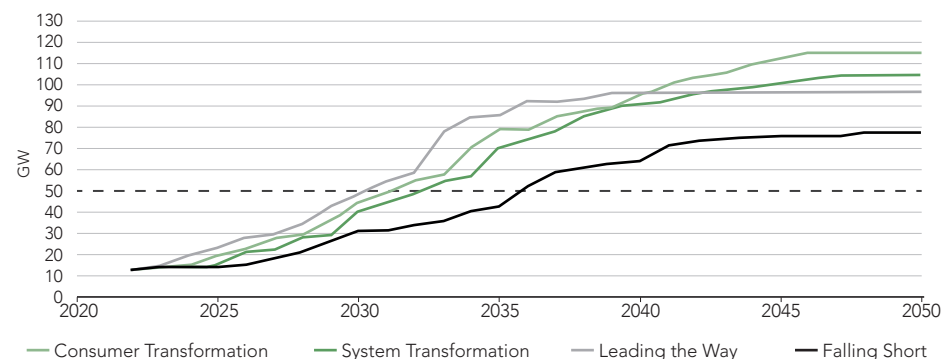


One of the largest contributors to global GHG emissions is the energy sector, and governments have responded to the call to speed up the transition from fossil fuels to renewables as part of their net zero ambitions and international commitments. The UK Government has a net zero by 2050 target and, as part of this, aims to decarbonise the power system by 2035, including significantly rolling out the use of renewables to reduce GHG emissions in the energy sector and enabling decarbonisation of the broader economy.

The wind energy sector is expected to play a crucial role in the UK's strategy for mitigating climate change and achieving its renewable energy targets. Scenarios to meet the UK's net zero by 2050 goal, published by National Grid Electricity System Operator ('ESO'),<sup>(11)</sup> require UK offshore networked wind capacity to grow from 13.4GW in 2022 to 40–48GW by 2030 and UK onshore wind capacity to increase from 13.6GW in 2022 to 23–29GW by 2030. These scenarios demonstrate the scale of required increase in wind generation capacity for the UK to meet its net zero goal. Indeed, the UK Government has set an explicit target to increase its installed offshore wind capacity to 50GW by 2030.

**Figure 3 Forecasted offshore wind generation capacity in the UK by 2050 (excluding non-networked generation) (National Grid ESO 2023, Future Energy Scenarios 2023)**

ES. 11: Forecast offshore wind generation capacity (excluding non-networked generation)

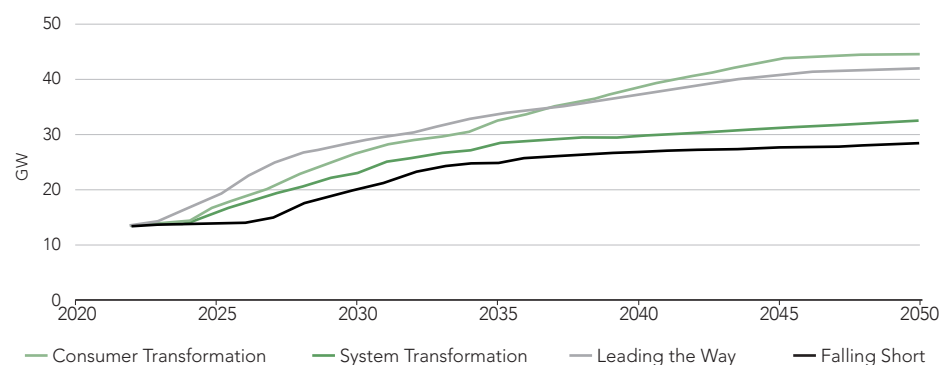


(11) <https://www.nationalgrideso.com/document/283101/download>.



**Figure 4 Forecasted onshore wind generation capacity in the UK by 2050 (excluding non-networked generation) (National Grid ESO 2023, Future Energy Scenarios 2023)**

ES. 12: Onshore wind capacity



The role of wind power generation in reducing GHG emissions, providing clean energy and fostering sustainable economic development makes the technology a cornerstone of the country's transition to a more sustainable and resilient energy future. As one of the largest owners of wind farms in the UK, we focus on taking action to support climate change mitigation through increasing and maximising our generation of renewable energy, reflected in our year-on-year increases in generation capacity, while minimising the potential adverse impacts of wind farm operations. Acquiring operational wind farm assets from third party utilities and developers allows for the recycling of capital into further renewable energy infrastructure. Growing renewable electricity production also enables the decarbonisation of all other sectors of the economy.

### Key performance indicators

Renewable electricity generated (GWh)

2023	4,743
2022	4,362
2021	2,933

Number of homes (equivalent) powered by clean energy (million)

2023	1.8
2022	1.5
2021	1.0

Tonnes of CO<sub>2</sub> avoided

2023	1.9
2022	1.7
2021	1.2

### 3.1.2 Climate related risks and opportunities

#### TCFD: Strategy



As noted above, we believe that decarbonisation of the economy to mitigate climate change will present a significant opportunity to the Company. We also recognise that there are short, medium and long term transition risks that could impact our future financial performance that are linked to climate change related policy changes, as well as potential physical risks.

Through our risk management processes, we seek to monitor and understand the material climate-related risks and, where deemed material (high likelihood and impact), to manage these risks to mitigate potential impact on the Company.

The most material climate related risks and opportunities identified by the Manager and the Board are set out below, including mitigation actions to manage the risks where appropriate.

#### Opportunities

Category	Climate issue	Opportunity	Company consideration and mitigation
<b>Transition – market opportunity</b>	Increased demand for renewable energy generation	Increasing ambition of corporate and government net zero targets could lead to a material increase in the procurement of renewable energy by businesses and consumers. Moreover, companies are increasingly required to demonstrate their commitment to reducing their carbon footprint, which may increase the demand for corporate power purchase agreements ('PPAs').	The Board considers that the decarbonisation of the UK economy will continue to present a significant investment opportunity in the short and medium term (0–15 years) and that the size of the Company's growth will be related to the success of the sector and the engagement of its stakeholders. An increase in demand for renewable energy could also support power prices for renewable generation assets.
<b>Transition – products and services</b>	Increased investor interest in renewable energy funds	Institutional investors are increasingly expected by regulators and clients to disclose their strategies to mitigate climate change. This includes the setting of net zero targets and investing in assets that contribute to climate change mitigation, such as renewable energy assets, to meet these targets. Increased investor interest in renewable energy funds could lead to a lower cost of capital and enable greater capital raises to support the long term growth and investment activities of the Company.	The Board believes that providing investors with a vehicle that supports their net zero ambitions is an opportunity for the Company in the short term (<5 years). The Company continues to evolve its engagement with the market and its disclosures to better explain the positive role that wind energy generation plays in the energy transition.

## Risks

Category	Climate issue	Opportunity	Company consideration and mitigation
<b>Transition – policy</b>	Retrospective changes to policies providing financial support for renewable energy	There is a risk that the UK Government retrospectively changes its financial support for the renewable energy sector, such as its renewable obligation certificates ('ROCs'), network charges and carbon price floors. Such retrospective changes could decrease portfolio revenues and increase operating costs, making the technology less commercially viable.	The Board considers the likelihood of any retrospective policy change to be low in the short term (<5 years). To manage any such risk, the Board and Manager remain abreast of developments in international support for (and impact of) renewable energy and, where possible, respond to changes when and if they happen. The Manager is also actively engaged in discussion with industry and the government during the ongoing Review of Electricity Market Arrangements ('REMA') consultation.
<b>Transition – market</b>	Increased renewable energy generation capacity reduces power prices	It is possible that the deployment of new renewable energy generation capacity, required to meet future UK and global emission reduction targets, could reduce the power prices captured by the Company's portfolio investments, resulting in reduced revenues.	The Board considers there to be limited potential impact on the Company from fluctuating power prices due to the nature of the portfolio's cash flows, which are both fixed and merchant. The Group's dividend policy has also been designed to withstand significant short term variability in generation or power price capture.
<b>Transition - reputation</b>	Increased reputational risks associated with climate related disclosures and reporting obligations	There is also an increase in reputational risk should incorrect or unclear statements be made in climate related disclosures that could result in investor dissatisfaction, fines linked to greenwashing or broader reputational damage to the Company and the Manager.	The Company considers the potential impact of this risk to the Company to be low in the short and medium term. To manage this risk, the Manager engages specialist consultants to measure and report on the Company's carbon emissions. The Manager also uses internal processes to monitor emerging climate related disclosure regulations and disclosures that are made by the Company are reviewed by the Audit Committee as well as the Manager's Compliance and ESG teams.

Category	Climate issue	Opportunity	Company consideration and mitigation
<b>Physical - acute</b>	Increase in extreme weather events	The UK has witnessed an increase in extreme weather events such as flooding, heatwaves, and storms including high wind speeds in recent years. Extreme weather events have the potential to disrupt portfolio operations, impacting cash flows, and to damage assets, resulting in increased operating costs or insurance premiums.	<p>The Company considers the impact of such risks to its portfolio to be low. The current portfolio of wind farms is designed to withstand extreme weather conditions and to take advantage of weather systems such as increased wind speeds. In addition, wind turbines are designed to shut down in the event that wind speeds exceed very high speeds to protect them from damage.</p> <p>The Manager does not consider an increase in flooding to pose significant issues to the Company's portfolio, as onshore wind turbines are not typically located in areas prone to flooding. To mitigate the risk of damage from extreme weather events, the Company procures property damage and business interruption insurance should operations be disrupted or assets be damaged.</p>

## TCFD: Risk Management



As part of established risk management processes, the Manager's Risk Management Committee meets on a quarterly basis to discuss, among other matters, the risk framework, including processes for identifying, assessing and managing climate related risks across our portfolio. The Company's risk matrix, reviewed and approved by the Board, includes climate related risks. This determines the risks reported by the Company, as well as the strategy applied and the mitigation activities implemented in relation to the climate risks identified.



### 3.1.3 Climate scenario analysis

#### TCFD: Strategy



##### Transition risk scenario

To understand the potential risks and opportunities presented to the Company, the Manager recognises the requirement under the TCFD for considering the resilience of its strategy under different climate related scenarios, including a 2.0°C or lower increase scenario. The Board has therefore considered the potential impact of a high transition risk scenario on its strategy and sets out high level conclusions below.

The scenario was developed by a market-leading consultant and sets out how electricity prices and the market may develop in line with meeting the legislated target of net zero emissions by 2050, including current and future policy implementation to achieve carbon neutrality, technological developments and commodity price forecasts for a global outlook.

In this high transition risk scenario where global temperature increases are limited to only 1.5°–2.0°C (most typically associated with net zero), it is assumed that the UK Government is successful in implementing its plan in its entirety and that the REMA consultation does not conclude in a significantly different market design. In this scenario, the long term power price is lower than the base case used to calculate the Company's NAV. The lower long term power price reflects the wider deployment of low marginal cost renewable generation capacity, partially offset by the expected deployment of electrolyzers as part of a growing hydrogen economy, increased electrification of transport and heat, and the build-out of data centres. Modelling the lower long term power price would equate to approximately a 17 pence reduction in NAV per share compared to the base case.

The base case long term power price assumes significant renewable generation and other measures to reduce carbon emissions and represents the independent consultant's best

estimate of likely outcome. The high transition risk scenario assumes further measures. The precise effect on power price of any measures (in the base case and in the high transition risk scenario) is highly uncertain and highly dependent on the future electricity market design.

##### Physical risks

In relation to scenario analysis for physical risks, the Manager, in 2022, with the assistance of an independent consultant, completed a risk modelling exercise for a representative sample of the wind farm SPVs reflecting climate related hazard exposure over a future time period. The outcomes of the risk modelling exercise were reviewed by the Manager but not considered a credible basis from which to assess forward looking climate risks. The Manager will continue to explore appropriate physical climate risk analysis tools.

The Board and the Manager continue to believe that a scenario where global temperature increases are significantly higher than 2.0°C (a high physical risk scenario) would not lead to any significant physical risk to the Group's wind farms in the near term; they are designed to operate under extreme weather conditions and are typically not located in areas prone to flooding.

The Board recognises that climate change could lead to more extreme weather events including extreme temperature changes, more electrical storms, increased rainfall levels, and changes in wind speed and direction. The Board does not consider these potential changes to be a material risk to the Group because the wind farms are designed to operate under extreme weather conditions, are typically not located in areas prone to flooding, and insurance and business continuity plans are in place to manage such events, should they occur.

In the medium to long term, the Board and the Manager recognise that there is a risk that weather systems may change as a result of higher temperature change scenarios, but do not believe it is possible at this time to determine whether this would impact the Company either positively or negatively. The Board and the Manager will continue to investigate options for physical climate risk models and tools to support further assessment of the potential physical risks associated with the Company.

### 3.1.4 Greenhouse gas emissions

#### TCFD: Metrics & Targets



An orderly transition to a net zero global economy is the best chance society has to mitigate climate change. As countries develop their own ambitious targets and commitments, it is imperative that companies develop strategies to decarbonise and contribute to a carbon neutral economy. We are committed to reporting our carbon footprint and to reducing GHG emissions from our own operations, thereby also supporting the Manager's Net Zero Policy.

##### Methodology

In adherence to industry standards the calculation methodology for our Scope 1, 2 and 3 emissions conforms to the GHG Protocol, employing an equity share approach. Under this, a company accounts for GHG emissions from operations according to its share of equity in the operation. The equity share reflects economic interest, which is the extent of rights a company has to the risks and rewards flowing from an operation.

We calculated our GHG emissions using the most up to date government approved conversion factors and, where possible, used primary data. Where primary data was not available, we used secondary data and estimations based on the best available credited sources and an independent consultant. Emissions were calculated on a carbon dioxide equivalent (CO<sub>2</sub>e) basis using the latest global warming potentials for non-carbon greenhouse gases.

A full breakdown of our GHG emissions can be found in Table 1.

Table 1 Breakdown of GHG emissions

Scope	Emission driver	2022 (tonnes of CO <sub>2</sub> e)	2023 (tonnes of CO <sub>2</sub> e)
Scope 1	Fugitive and process gases	149	13
Scope 2	Electricity (location based)	1,731	2,162
	Electricity (market based)	1,422	1,485
Scope 3	Purchased goods and services	20,156	20,472
	Capital goods	115,354	239,910
	Fuel and energy related activities	610	708
	Waste	15	15
	Business travel	28	34
Total (location based)		138,041	263,313
Total (market based)		137,735	262,637
Data coverage		100%	100%

Note: CO<sub>2</sub>e refers to carbon dioxide equivalent.

### Scope 1: Fugitive and process gases

Scope 1 emissions relate to those associated with fugitive emissions of sulphur hexafluoride (SF<sub>6</sub>) gas from switchgear components within the assets, based on the quantity of SF<sub>6</sub> gas replaced per asset during the reporting period. Only two assets reported any SF<sub>6</sub> emissions in 2023.

### Scope 2: Purchased electricity

As per the requirements of the GHG Protocol, we report both location and market based emissions for Scope 2: Purchased electricity. The location based approach estimates the GHG emissions to atmosphere from the electricity physically delivered to a company, which relies on the average regional grid emission factors. The market based approach represents emissions based on how an organisation purchases its energy, and accounts for renewable tariffs, renewable energy certificates and supplier specific emission factors.

Overall, our Scope 2 emissions increased due to an increase in our electricity consumption. However, as part of our ongoing decarbonisation efforts, we took measures to reduce our market based Scope 2 emissions by switching to fully renewable tariffs for 16% of assets in our portfolio in 2023, in addition to those assets that were already on renewable tariffs. We will continue to work to switch all assets to renewable tariffs as contracts come up for renewal.

It is important to note that this approach may not directly represent actual emissions reductions for the Company, as a decision to switch supplier or move to a renewable tariff does not directly impact the wider operation of the grid and its associated emissions in the short term. Over time, as collective consumer demand for renewable energy grows, a market signal is sent to support the development of more renewable generation facilities, thus accelerating the decarbonisation of energy supply within that jurisdiction. Our market based Scope 2 emissions therefore signify a commitment to contributing positively to the renewable energy sector.

### Scope 3: Capital goods and purchased goods and services

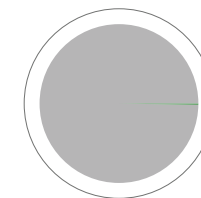
Scope 1 and 2 emissions (i.e. those that we have a greater level of control over) form a very small part of our overall carbon footprint. Scope 3 (Capital goods), which accounts for the embodied emissions of new assets acquired during the year, was the highest contributor (239,910 tonnes of CO<sub>2</sub>e), representing 92% of Scope 3 emissions and 91% of total emissions. These represent all emissions from the production of capital goods we have acquired within the year, over the entire life of the wind farm (both before and potentially after our ownership). Capital goods refers to those assets that have entered the business during the year. In accordance with the GHG Protocol we report the total life cycle emissions of these assets in the year of acquisition, in the same way that we report the embodied emissions of our other purchased products under 'Purchased goods and services'. Given the physical size of these assets and quantity of construction materials required, Scope 3 emissions will fluctuate significantly between years, and will largely relate to acquisition activity during the reporting year. It also means that setting Scope 3 emissions reductions targets is meaningless.

We believe that this accounting methodology is flawed because it likely creates double counting, as any previous owner will have already had to report the lifecycle emissions of the asset during their ownership. To address this concern with the GHG Protocol methodology, we are investigating alternative accounting methodologies and have engaged with industry standards bodies to express the challenges associated with this accounting methodology for real assets.

Over time, by increasing our operation and production of renewable electricity, we can support the decarbonisation of other sectors, such as the materials and construction sectors, which would decrease the embodied carbon associated with assets acquired. Therefore, we expect our Scope 3 (Capital goods) emissions on a like for like basis, to decrease in the future as a result of our investment strategy of acquiring and operating wind farms, even as we continue to acquire new assets.

2023 Emissions (tonnes of CO<sub>2</sub>e)

**Figure 5 Breakdown of GHG emissions (2023)**

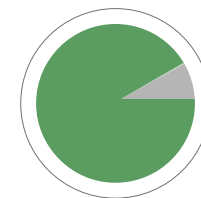


#### Key

• Scope 1 & 2	1%
• Scope 3	99%

2023 Emissions (tonnes of CO<sub>2</sub>e)

**Figure 6 Breakdown of Scope 3 emissions (2023)**



#### Assets

• Capital Goods	91.87%
• Waste, Water & Replaced Components	0.01%
• Business Travel	0.01%
• Fuel & Energy Related Activities	0.27%
• Purchased Goods & Services	7.84%



## Targets

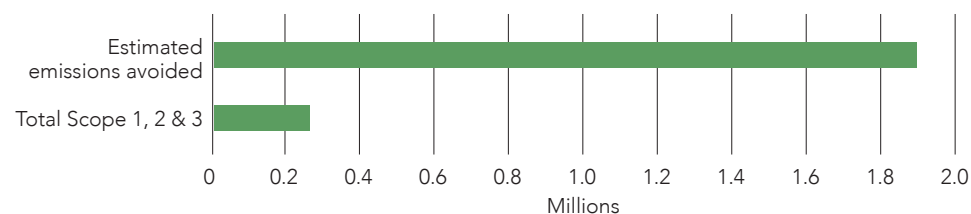
In 2022, the Manager formalised a commitment to reduce the intensity of its Scope 1 and 2 emissions by 50% by 2030. The Company supports this Net Zero commitment, has started to implement initiatives to reduce GHG emissions, and will learn from the future activities the Manager undertakes to better understand and reduce our emissions.

In 2024, the Manager intends to investigate what Scope 1 and 2 emissions intensity reduction pathways look like for investment teams. The Manager will also consider engagement plans to reduce emissions associated with the value chain, such as Scope 3 and inherited Scope 1 emissions (e.g. installed SF6 purchased from previous operators).

Our key target related to climate change mitigation, however, is to continue to increase the renewable energy generation associated with our portfolio, as this is where the Company can have a material impact. Although we aim to reduce the GHG emissions associated with our investment activities over time, the carbon avoided associated with these activities far outweighs the emissions; therefore, we continue to be committed to our investment strategy of investing in operating wind assets.

## 2023 Emissions (tonnes of CO<sub>2</sub>e)

*Figure 7 Comparison of total Scope 1, 2 and 3 emissions vs. estimated emissions avoided (2023)*



## Carbon payback

Central to the idea of a net zero world is the recognition of GHG emitted at every part of a process. The carbon payback of a wind turbine (how quickly it offsets the emissions generated during manufacture, transportation, on-site construction and lifetime operations) is an indicator of the technology's role in accelerating the energy transition.

Operating wind farms produce small amounts of carbon emissions (see section 3.1.4 'Greenhouse gas emissions' above), primarily associated with the construction of the assets; however, at current rates, the carbon payback period for a typical wind farm is around five months, which is just 2% of the average lifespan of a wind turbine.<sup>(12)</sup> The Company considers the carbon payback period an important metric, as it demonstrates the overall positive impact of renewable energy generation, which outweighs the carbon costs of constructing and operating the asset.

(12) Calculated using data from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6686152/#sec3title>. The carbon payback period of five months includes onshore and offshore wind farms. The results of the study suggested that offshore wind farms typically had a lower carbon payback period than onshore wind farms. However, the study also cited that a larger sample size of offshore wind farm locations would be required to consolidate this conclusion.



Bicker Fen

### 3.1.5 Waste management and circular economy

#### Key performance indicators

**542** Total non-hazardous waste generated (tonnes)

**62** Percentage of operational waste diverted from landfill

Effective waste management is fundamental to our efforts to be a responsible corporate citizen, by improving resource efficiency, reducing pollution and protecting the local environment. The wind energy sector faces several challenges in waste management, which necessitates an increased consideration of circular economy practices. Wind energy, while contributing significantly to renewable energy generation, involves construction, operation and decommissioning phases, with each generating differing forms and quantities of waste.

Wind farms produce minimal operational waste. However, very occasionally, our investments include wind farms that are under construction, with more waste being produced.

We recognise that the decommissioning of wind farms can produce significant amounts of waste. While not immediately pertinent to the Company, given the average age of assets in our portfolio is 7.5 years, we consider asset life extension and end-of-life recycling with the intention of reducing operating costs and mitigating potential future risks linked to environmental impacts associated with asset decommissioning.

#### Extending the life of our assets

All assets have a finite lifespan. It makes commercial and environmental sense to use assets for as long as possible.

Since 2019, we have been working with technical consultants to explore ways of measuring and extending the useful life of our wind farms. Asset life extension typically involves performing a fatigue load assessment on major structural and safety critical components of the wind turbines, which could lead to the implementation of additional maintenance actions, including visual inspections and non-destructive tests.

This work has enabled us to expand the useful life of turbines, which is reflected in the 30 year turbine life assumption in our financial models. The extension of the useful life of our assets also helps to reduce the demand for newly constructed assets, contributing to a reduction in demand for virgin materials in the sector.

In 2023, we extended this work to our newly acquired assets, and in 2024 we will fine-tune the analysis to establish proactive assessment protocols.

#### Investigating end-of-life recyclability

Although 85% of wind turbine materials are recyclable (e.g., steel, aluminium, copper), wind turbine blades are often made of composite materials that make conventional recycling challenging\*. Developing cost effective methods for recycling wind turbine components is crucial for the economic viability of the wind energy sector. Currently, recycling processes are expensive, impacting the overall feasibility of sustainable waste management.

\* Recycling of wind turbine blades through modern recycling technologies: A road to zero waste, Renewable Energy Focus, Volume 44, 2023)

Addressing these challenges requires collaborative efforts from stakeholders, including industry participants, policymakers and communities, to develop innovative solutions to establish a more sustainable and circular approach to waste management in the wind energy sector. The Company's decision to fund research into turbine blade recyclability reflects a forward thinking approach aimed at future-proofing our operations. By proactively addressing the recyclability and end-of-life use of turbine blades, the Company is effectively managing future risks and reducing potential costs.

#### CASE STUDY 1

### Turbine blade recyclability

In 2022, we launched a £250,000 impact programme to find and support academic research and non-profit projects that aim to advance industry knowledge on turbine blade recyclability and repurposing.

Through this initiative, the Company awarded the University of Edinburgh a grant of nearly £125,000 for a twelvemonth research project focused on recycling old wind turbine blades into powders that can be repurposed into surface coatings. The Added-value CoaTings research project began in October 2023 with achievements already underway in identifying research materials and the successful grinding of recycled carbon fibre, epoxy and glass fibre, and epoxy laminates to create powders.

Three additional circular economy projects related to wind turbine blade structural models and end-of-life models began in 2023. These included a research project at Imperial College London, which was awarded a grant of £111,000 towards research for an end-of-life decision making tool that will support the wind industry in making informed decisions about the optimal end-of-life route for wind turbine blade materials.

The ultimate intention of this funding is to create end-of-life use options for wind turbine blades that the Company can adopt in the future to reduce the costs and environmental impact of its portfolio as its fleet ages.

#### CASE STUDY 2

### Repairing wind turbine components on site

On one of our sites, Humber Gateway, the maintenance team has been using its on-site workshop facilities to strip down, repair and overhaul a multitude of wind turbine components as part of its Self-Perform strategy. This enables a wide range of benefits, including on-site technicians and engineers developing a deeper understanding of the components and failure modes, reducing supply chain issues and waste, and decreasing our reliance on imported parts.

The initiative to repair wind turbine components has also prompted collaboration with local engineering firms and hydraulics suppliers for assistance in upgrading and improving wind turbine parts. This has enabled the instalment of upgraded parts, which has improved turbine robustness. In turn, it has reduced waste on site by moving away from the 'new for old' mindset and decreased dependence on foreign suppliers, allowing for the process to become more localised.

From project inception in 2020, the maintenance team has repaired and tested over 100 pieces of equipment to be used on site, with work continuing in 2024.

## 3.2 Protecting the local environment

### Key performance indicators

#### Number of reportable environmental incidents

2023	2
2022	1
2021	0

#### Percentage and number of assets that have habitat management plans or any environmental planning requirements in place

2023	100 (49 assets)
2022	100 (45 assets)
2021	100 (43 assets)

The rapid growth and advancements in wind energy are critical for the net zero transition and a more sustainable energy system. However, we recognise that potential impacts on nature and biodiversity need to be managed carefully to ensure that any local environmental impacts from the operation and maintenance of our assets respect and protect biodiversity and ecosystems.

We work hard to protect the local environment and minimise our impact on biodiversity and habitat loss around our wind farms by using robust environmental management systems according to regulatory and local planning requirements and our ESG Policy commitments. Prior to making an investment in an asset, we conduct a thorough evaluation to ensure compliance with environmental regulations and local planning obligations. We engage with local stakeholders, often in the early stages of opportunity screening, to determine any legacy or existing environmental concerns. In addition, we implement policies, perform routine risk assessments and provide regular updates to both our own Board and those of individual wind

#### Number of independent ecological/environmental assessments across our assets

2023	119
2022	142
2021	45

farm companies. We uphold management systems to assess the potential risks and impacts associated with our activities. This includes efforts to prevent or mitigate environmental impacts on biodiversity, air quality, noise and waste, as applicable.

This year, we had two reportable environmental incidents. The first involved a small oil spill at one of our sites, which was reported to the Scottish Environment Protection Agency; the regulator confirmed that no further action was required, and no sanctions would be taken. The spill did not contaminate any watercourses, and the contaminated soil was removed by an approved contractor. The second incident involved a bird fatality at one of our sites. Although not compulsory, a precautionary approach was taken to report the incident to the relevant environmental authority.

### CASE STUDY 3

## Oil spill risk management

Following an incident that involved approximately 45 litres of oil spilt at a wind farm in 2023, we took steps to improve our oil spill risk management procedures and responses.

We sought expert guidance from external consultants to inform and implement best practice for oil risk management and reduce the risk of oil pollution on our sites. The resulting report was sent to the site operators to align them with the best practice recommendations.

We have also carried out environmental spill simulations to better understand the effectiveness of oil spill responses on-site. An environmental spill simulation was conducted

at the Bin Mountain Wind Farm in Northern Ireland, for example. The spill scenario involved a situation in which a lorry carrying an oil container on Bin Mountain encountered a problem that resulted in a small release of oil. Following a dynamic risk assessment, the team decided on the most appropriate response method, which highlighted key areas of improvement in the response process.

This scenario based testing approach has led to key lessons learnt alongside the implementation of additional precautionary measures, which will support the improvement of oil risk management on our sites.

### 3.2.1 Biodiversity

The Company recognises the importance of protecting and restoring nature as part of the broader climate change mitigation challenge. We also understand the importance of protecting and enhancing biodiversity to address another global environmental challenge and risk to global economies: biodiversity loss, something that is very important to local communities, which are key stakeholders of ours. We also anticipate that revenue generation opportunities may emerge in the future from demonstrable biodiversity improvements compared to baselines.

Therefore, we protect and promote biodiversity on our onshore wind farms through the implementation of various measures to sustain and enhance the variety of plant and animal life within and around project areas. These initiatives occur as part of environmental and habitat management planning requirements, through local community initiatives, and through additional Company driven initiatives.



## CASE STUDY 4

## The Pollinator Plan

Pollinator animals are essential for the growth of pollinator dependent crops and for maintaining a healthy and thriving ecosystem. Many pollinators are, however, in decline. One third of Ireland's bee species is threatened with extinction; therefore, promoting biodiversity is crucial to protecting pollinator species.

The Pollinator Plan is an initiative backed by over a hundred government and non-governmental organisations to reduce the loss of essential pollinators and to support populations in returning to healthy levels. We support the All-Ireland Pollinator Plan and have begun efforts to improve pollinator levels on several sites, including Slieve Divena 2 and Brockaghboy.

### Slieve Divena 2 Pollinator Plan

We are working to improve conditions for pollinators through a heather management pollinator plan at our Slieve Divena 2 site. Heather management is important for rejuvenating the habitat and ensuring it is suitable for the species it supports. Red grouse is closely associated with heather dominated habitats, in which they use young heather for food and older heather for shelter. Regular management is needed to achieve this balance in structural diversity to support red grouse and other species. Specialist contractor EcoSeeds cuts the heather to regenerate growth and utilises Softrak equipment specifically designed to operate in wet areas without damaging the habitat, particularly sphagnum bog moss. Heather and heath habitats are also important for pollinators. This new growth leads to a higher diversity of flowering species that supports local pollinators, providing habitat and foraging areas.

### Brockaghboy Pollinator Plan

The Brockaghboy site is also a key area for improving conditions for pollinators. Species rich grasslands support a diversity of wildflowers and provide a valuable habitat for invertebrates, especially pollinators like bees, butterflies and hoverflies. Like many of our native habitats, species rich grasslands have declined significantly throughout the landscape. Brockaghboy Wind Farm supports areas of species-rich acid grassland that are characterised by the purple flowered devil's bit scabious (*Succisa pratensis*), a distinctive peatland flower. Devil's bit scabious is highly attractive to pollinators and is the food plant for the larvae of the marsh fritillary (*Euphydryas aurinia*), a protected butterfly species. The work aims to control rush cover and gradually expand the wildflower area.

Pastures that are heavily dominated by rush have a low biodiversity value, as the tall rushes shade out low-growing species beneath. The biodiversity value can be enhanced by controlling rush and helping wildflower species to increase in the grassland sward. Extensive areas of rush dominated pasture were identified on site for treatment. It is hoped that over time the biodiversity value of this area can be enhanced by controlling the rush infestation and implementing a similar grazing regime as for the species-rich grassland.



## CASE STUDY 5

## Seal rescue and rehabilitation

Caithness Seal Rehab and Release was established in November 2022 to protect, rescue, treat and release common (or harbour) and grey seals along the Caithness coastline. Seals can require assistance as a result of dog attacks, storms, and injuries from local boats, fishing equipment and waste. The Caithness Seal Rehab and Release project supports rescued seals in need of medical treatment, food, and veterinary and day-to-day care, which are carried out by a group of dedicated volunteers.

The seals are housed in a repurposed barn near the harbour in Brough, Caithness. The seal hospital can accommodate up to four seals in purpose built pens, three in mobile pens, and an additional two seals in the nursery area. Seals in need of rescue are picked up, vet checked, fed and rehabilitated until they are healthy enough to be released, which can take up to four months. The rehabilitated seals are released into Brough Bay during suitable conditions: good weather, a quiet bay and calm waters.

In 2023, we awarded the Caithness Seal Rehab and Release project £15,000 to upgrade the seal hospital and visitor centre. Such developments will improve the working conditions for volunteers and create more space for visitors and students to learn about the seal sanctuary and gain work experience. This will include a new food preparation room, a small laboratory station and the creation of four new, large seal pens with insulation, tiling and new drainage for ease of cleaning.



### 3.2.2 Habitat management

Habitat management for onshore wind farms involves a strategic approach to preserving and enhancing local ecosystems, ensuring the coexistence of renewable energy infrastructure and biodiversity. Each of our onshore wind farms has a habitat management plan.

Through these measures, we also ensure compliance with all applicable laws, regulations and planning consents as administered by the UK's environmental regulators, health protection agencies, local authorities, Ofgem (Office of Gas and Electricity Markets), Northern Ireland's utility regulator, UREGNI, and any other applicable regulatory body, including with our data reporting obligations under Renewable Obligation Order 2009.

#### CASE STUDY 6

## Peatland restoration

Many of our onshore wind farms are on peatlands. Healthy peatlands provide food and shelter to wildlife and are valuable biodiversity resources. They are also critical to mitigating climate change. We proactively manage peat restoration work on all our sites where peatland is present.

### The importance of peatland restoration

Peatlands hold large supplies of carbon that can be easily disturbed and released through overgrazing, burning, cutting, drainage and during wind farm construction. Unless properly managed, the carbon released during construction can add several years to a wind farm's carbon payback period, undermining the core objective of renewable energy generation: to reduce net GHG emissions.

### Corriegarth

The peat bog restoration efforts carried out on the areas identified by the habitat management plan are progressing well and there is evidence of natural reinstatement of the peat bog in some areas. In 2023, we carried out an aerial inspection of the Corriegarth site, which identified some areas in need of further peatland restoration work. Following a survey, an updated peatland restoration plan was developed, which will implement the practice of spot turbing, involving transplanting peat bog material into the affected areas, allowing it to spread and cover the entire bare peat surface.

### Tom Nan Clach

In 2023, it was noted that vegetation on reinstated ground along access tracks was failing to establish, leaving bare peat exposed and at risk of erosion. Following completion of the necessary monitoring surveys, an updated peatland restoration plan will be developed and implemented. This will include immediate actions, such as preventing sheep from accessing the area and protecting bare areas with geotextiles. It will also involve longer term actions, such as monitoring the area and considering the introduction of techniques like seeding or mulching to establish vegetation.





# 4.0 Social

It is critical that our portfolio of wind assets goes beyond consideration of solely the environmental benefits and impacts to also consider the social benefits and impacts of our projects. We are committed to having a positive social impact on our communities either directly, through job creation and the provision of clean energy, or indirectly, through our community fund investments and the obligations we place on service providers with regard to human and labour rights.





Walney

# 4.1 Health and safety

Ensuring the health and safety of workers and residents is a crucial social responsibility that we take seriously. We comply with all relevant safety standards and take a proactive approach to improving our health and safety procedures to minimise the risk of incidents and to protect those directly involved in a project and those living in the vicinity.

## Key performance indicators

Percentage of staff involved in operations who have completed health and safety training

2023	100
2022	100
2021	100

Percentage of operating assets that had an independent health and safety audit

2023	56 (27 assets)
2022	60 (27 assets)
2021	56 (24 assets)

Percentage of operating assets that have received an internal health and safety audit

2023	90 (43 assets)
2022	93 (42 assets)
2021	88 (38 assets)

Number of working days lost to injuries, accidents or illness

2023	30 <sup>(13)</sup>
2022	41 <sup>(14)</sup>
2021	31 <sup>(15)</sup>

(13) 2 reportable lost time incidents  
(14) 6 reportable lost time incidents  
(15) 1 reportable lost time incident

### 4.1.1 Our health and safety principles and practices

We take our health and safety responsibilities very seriously. We work with the Manager to promote the highest standards of health and safety (and environmental practices) in managing our assets. Health and safety is a standing item for discussion for the Manager's Management and Risk Management committees as well as for the boards of the operating asset companies. The Manager has a Health and Safety Forum, an internal group of experts from across different teams who meet regularly to share lessons learnt and experiences from various health and safety practices and outcomes to facilitate knowledge sharing.

During 2023, the Manager became a member of Global Offshore Wind Health and Safety Organization ('G+'), the global health and safety organisation bringing together the offshore wind

industry to pursue shared goals and outcomes. It is run in partnership with the Energy Institute, which provides the secretariat and supports the work of G+. This is in addition to our existing SafetyOn membership, which is the equivalent safety organisation for UK onshore wind. Through both memberships, we are active in the health and safety industry forums where our incident data can be benchmarked against that of other members.

We implement health and safety best practice through asset specific policies, project management, contractual arrangements, staff training and stakeholder education. Health and safety measures are implemented throughout the life cycle of our investments to ensure a robust system is in place to minimise risk.



Glen Kyllachy

### Pre-investment

Prior to investment, we conduct thorough analyses of historical incidents for operational assets and review the health and safety incident data and accreditations of operators, ensuring alignment with our stringent health and safety standards.

### Post-investment

Clear direction is provided in our health and safety policies and standards, which are implemented by the boards of all operating asset companies. While we aim to ensure that our operations and management ('O&M') providers comply with all relevant labour laws and health and safety regulations, we recognise the importance of creating a workplace culture where strong health and safety practices are embedded into the day-to-day operations of the wind farm. We conduct independent audits of every new asset shortly after acquisition and regularly audit the health and safety management systems of our main contractors through independent assessments. We aim to foster a 'safety aware' culture, actively encouraging prompt reporting of all potential risks, regardless of magnitude, which are then actively monitored by our asset management teams. Operators and external asset managers conduct monthly on-site inspections to identify and report any health and safety risks and non-compliance within the site infrastructure.

### Monitoring and reporting

We use independent third party firms to audit and, where necessary, provide advice on health and safety. Detailed KPIs and the results of audits are regularly reviewed by the Board, and action is taken where necessary.

### 4.1.2 Our ongoing actions

We assess and monitor health and safety practices through asset specific risk identification and prevention activities. We actively engage with top health and safety providers in the UK to conduct audits of policies, procedures and management across multiple sites. During 2023, the Manager conducted 73 safety walks at 43 of our wind farms, and independent health and safety audits were conducted by an accredited professional at 27 of our wind farms. This included an audit on the overall standards of health and safety management of the turbine maintenance contractors and O&M contractors on the sites. No material areas of concern were identified from any audits and safety walks performed in the year. We commissioned audits of the high voltage ('HV') equipment at ten wind farms in 2023 with an HV specialist auditor. Using an accredited professional, we audited 16 of our contractors during 2023, specifically asset managers and O&M contractors, to ensure

that all elements of their health and safety management systems remain fit for purpose. Similarly, we have audited the HV management systems of five of our HV operators.

During 2023, the Manager completed a joint emergency response drill with other service providers on our Slieve Divena and Slieve Divena 2 sites. We took many lessons from the day that will inform our emergency response plans going forward. Many of our sites have multiple O&Ms working in close proximity. It was clear from this drill that by proactively working together to form a Joint Emergency Response Plan we can ensure that O&Ms are ready to provide fast and effective support to one another if needed.

Recognising the need for ongoing diligence, we maintain a commitment to continuous improvement in our health and safety practices.

### CASE STUDY 7

## Greencoat UK Wind attends immersive Tideway Employer Project Induction Centre (training by Active Training Team)

In October 2023, all asset managers (and two directors) attended an immersive training course (an award winning, one day induction experience that involves everyone as an active participant in the recreation of an unexpected real incident). This training leaves participants with a lasting understanding of their role in ensuring the safety and wellbeing of everyone on the project and consists of three interconnected parts: an immersive, multimedia experience played out in a number of different rooms and zones; a hazard reporting culture workshop; and practical safety leadership skills workshops has a specific onboarding checklist. This checklist includes various health and safety matters such as the creation of; a safety statement, risk assessments, key performance indicators, an audit plan and the role of the Operations Manager. This onboarding checklist was successfully implemented for 100% of the new assets acquired in 2023.



## 4.2 Human rights and modern slavery

We are alert to the potential risks of forced labour and modern slavery in our supply chains and take measures to mitigate such risks. All new service providers must adhere to the Manager's Code of Conduct Side Letter, unless they have equivalent policies in place, aligning with laws in their operating jurisdictions. Additionally, we are within scope of the UK Modern Slavery Act 2015, which requires us to report annually on the steps we have taken in the preceding financial year to ensure that slavery and human trafficking are not taking place in our operations or supply chains. In accordance with the Act, we have a formal Modern Slavery Statement.

The Manager also seeks to ensure that the Company is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights (together, the 'Minimum Safeguards'). To support this objective, we have the following policies and procedures in place with the aim of protecting human rights and preventing modern slavery in the activities of third parties associated with our investments (our investments do not themselves have employees):

- The Manager's ESG Policy
- The Manager's Slavery and Human Trafficking Statement
- The Manager's Supply Chain Policy
- The Company's ESG Policy
- Conducting due diligence and regular ongoing reviews of key service providers
- Where possible, placing contractual obligations on key service providers to comply with the principles underlying the Minimum Safeguards and reporting any non-compliance to the Manager.



Kype Muir Extension



## 4.3 Supporting local communities

The Company recognises the importance of retaining and enhancing community relations for its licence to operate and for the health of its future pipeline of investment opportunities. Therefore, we place importance on our ongoing engagement activities with local communities.

A key factor considered as part of our ongoing engagement is the preservation of land and access rights. We believe this commitment to the local environment fosters positive outcomes for communities.

We also contribute to community fund investments as part of local planning conditions. Obligatory community fund investments are managed by a third party as part of the planning requirements. We hold regular dialogue with community funds and provide financial support to local groups through community benefit schemes that contribute to various local projects, enhancing amenities, infrastructure, and educational initiatives. Our approach is designed to provide long term support for UK wind farms and help the sector to continue to expand.

### Key performance indicators

Amount invested in community benefit funds and social projects (in millions)

2023	£4,432
2022	£3,956
2021	£3,001
2020	£3,844
2019	£2,682
<b>TOTAL <sup>(16)</sup></b>	<b>£17,915</b>

(16) Cumulative contribution since 2019.



Dalquhandy



### 4.3.1 Giving back to society

#### CASE STUDY 8

## Reducing the cost of living for communities

### Improving energy efficiency for communities

Little Cheyne Court wind farm awarded a grant to Energise Sussex Coast to support its free service, which helps bring down the cost of electricity, gas and water bills for East Sussex residents. Energise Sussex Coast staff visit homes to install simple energy efficiency measures, make basic home repairs, and provide energy advice to reduce energy costs and ensure residents have accessed all relevant support schemes.

The Slieve Divena 2 wind farm also presented funds towards energy efficiency upgrades for a community group in County Tyrone, Northern Ireland. Beragh Red Knights, the local Gaelic Athletic Association club was awarded funding towards a 5.4kW solar panel system to reduce energy consumption and costs.

### Blidworth on the Move support network

Lindhurst wind farm awarded a grant to the Blidworth on the Move support network, a local charity that uses volunteer drivers to provide transport for vulnerable residents and to deliver food parcels. Poverty has grown in Blidworth by 35% since the end of 2022. This grant supports the provision of weekly food parcels to those who need them and to those who are isolated in the local community.

#### CASE STUDY 9



## Supporting vulnerable community members

### Borders Pottery

Borders Pottery, located within St Abbs, Berwickshire, received funding from our Drone Hill Wind Farm Community Fund (distributed by Foundation Scotland) in May 2023. The grant has helped to provide free pottery classes for those experiencing long term mental and physical health conditions and to those living with addiction in the Drone Hill Fund area. The grant has also enabled the provision of new equipment, including a tabletop pottery wheel, which has improved accessibility for wheelchair users to participate in pottery lessons.

To date, three blocks of classes have been delivered, and a further block is planned for early 2024. Borders Pottery has also facilitated community projects including the St Abbs Science Festival, where the local primary schools collaborated with vulnerable groups to create a mosaic.



### Silver Circle

The Kildrummy Wind Farm Community Fund delivered a second year of funding for Silver Circle, which provides a range of support services in the Aberdeenshire communities of Kildrummy, Lumsden, Towie and Strathdon for residents in need by reason of age, ill health, infirmity or disability. Silver Circle offers its members companionship, stimulating activities, entertainment, outings to places of local interest and one hot meal a week. The funding towards Silver Circle's core costs enables older and vulnerable residents to stay in their own homes for longer and to continue enjoying a happy and fulfilled life.



## CASE STUDY 10



## Supporting community health and wellbeing

### The Happy Swimmers

Funds from Drone Hill Wind Farm Community Fund were awarded to the Happy Swimmers organisation to contribute towards the cost of providing free swimming lessons for primary school aged children. Happy Swimmers is a constituted, voluntary organisation, founded by a group of residents concerned about the lack of opportunities for children to learn how to swim in the local area.

Happy Swimmers currently has funding for 42 children for a year of swimming lessons out of school time and for 120 schoolchildren to participate in an annual six week swimming programme. Happy Swimmers plans to use the data collected from this initiative to demonstrate to local and national government the demand and importance of teaching children to swim.

### Linking Ideas for Nourishment, Knowledge and Support

Through the Drone Hill Wind Farm Community Fund, we have supported the charity Outside of the Box ('OTB') to deliver its Linking Ideas for the Nourishment, Knowledge and Support ('LINKS') project, a community health and wellbeing programme within Eyemouth and the surrounding Drone Hill fund area.

LINKS connects families in Eyemouth and the Fund area to healthy cooking and eating opportunities. The project aims to address energy saving techniques and sustainable lifestyle changes. OTB's workshops directly tackle some of the concerns raised by residents resulting from the cost-of-living crisis and inflation in heating and living costs. The initiative provides a warm hub for vulnerable residents, low temperature and slow cooking classes, and energy saving sessions.

### Errogie Church – Driving positive social impact in the local community

The Company co-funds the Stratherrick & Foyers Community Trust ('SFCT') through a long term agreement with Scottish & Southern Energy ('SSE'). The SFCT looks to encourage positive community development within the catchment area of one of our sites, Corriegarth wind farm. Specifically, the project aims to catalyse positive social change through the restoration and repurposing of Errogie Church into a community hub.

Following the acquisition of Errogie Church four years ago, the project followed an inclusive approach to decision making, whereby extensive consultation with residents took place to gauge the community's needs and support for a communal space, fostering a sense of ownership and pride in local heritage.

Over the lifetime of the project, funds will go towards restoration of the building, showcasing local talent and enhancing community cohesion. Additionally, opportunities for economic growth have emerged with craft markets, exhibitions and other activities that have enabled local businesses to participate.

In 2023, we celebrated the end of the project's first phase: completion of extensive works to ensure the building is fit for basic use. Through ongoing partnerships and community led initiatives, the project is on track to leave a legacy of positive social impact for generations to come.



## CASE STUDY 11

## Upskilling communities through education

### Clyde Wind Farm Scholarship Fund

Our wind farms offer multiple scholarships to help reduce the financial burden for students and their families. The Clyde Wind Farm Scholarship Programme has been created to help local students with their expenses, while creating a pool of well trained, experienced professionals. Six scholarships of £5,000 will be awarded every year for the next three years to different students who are undertaking further education courses in science, technology, engineering and maths.

In addition, two scholarships of £10,000 each will be available every year for three years to postgraduates studying for an MSc in Wind Energy at the University of Strathclyde.

### School visit to Tappaghan wind farm

Tappaghan wind farm invited the local Lack Primary School to visit the wind farm and participate in a biodiversity project. The SSE Environment team explained the importance of biodiversity within the bogland area, what wildlife would be expected around the site and how the children can protect it.

The children also learnt about the workings and upkeep of the turbines and the equipment required by technicians to keep them safe during their working day. Each pupil received a Tappaghan branded bird box, a feeder and some bird food to set up at home to promote biodiversity.





5.0

# Governance

We believe in the value of embedding robust governance practices and oversight of ESG matters across our Company. This is important for maintaining the confidence of investors and in continuing to deliver on our promise of long returns.

## 5.1 Board of Directors and management team

### The Board of Directors



Lucinda Riches CBE



Caoimhe Giblin



Nick Winsor CBE



Jim Smith



Abigail Rotheroe

The Board currently comprises six independent non-executive directors, each contributing substantial and complementary expertise in managing listed funds, equity capital markets, and various aspects of public policy, operations and finance within the energy sector.

The Board is responsible for the determination of the Company's investment objectives and policies. It also oversees the day-to-day management of the Company and its investments, including ESG and climate related risks and opportunities.

The Board monitors performance by examining quarterly operational reports that encompass health, safety and environmental considerations. Quarterly meetings and annual risk reviews are conducted, focusing on ESG matters that could affect our activities or the communities in which we operate.

### Management team



Stephen Lilley



Matt Ridley

Prior to the listing of the Company, the investment management team that has led its growth over the last decade, had significant expertise in infrastructure financing, including investment in renewable energy infrastructure. Since the initial public offering, the dedicated Greencoat UK Wind management team has been led by Stephen Lilley and Laurence Fumagalli. On 1 March 2024, Matt Ridley succeeded Laurence Fumagalli leading the investment management team alongside Stephen Lilley.

To ensure strong performance, we reinforce our specific oversight of environmental and social issues through the following:

- The appointment of at least one director from the Manager to the boards of wind farm companies to ensure monitoring and to influence financial and ESG performance.
- By carrying out of due diligence to ensure that any new third party service providers are reputable and responsible organisations.
- Compliance with all applicable anti-bribery, anti-corruption and AML laws and regulations and policy implementation to ensure performance is in line with the policies of the Manager.



## 5.2 Business ethics and conduct

### Key performance indicators

Percentage of assets that have implemented internal controls/audit system/board level oversight and relevant ESG policies

2023	100
2022	100
2021	100

The success of the Company depends on having the highest standards of ethics and integrity in governance. We recognise that earning trust and confidence from both shareholders and the Manager's employees is integral to our long term success.

We hold ourselves accountable to the governance standards set out in the Company's ESG Policy, including but not limited to:

- Complying with applicable anti-bribery, anti-corruption and AML laws and regulations.
- Identifying and managing project and business risks, incorporating robust, transparent and timely reporting lines.
- Conducting thorough due diligence to verify the reputation of service providers within their respective fields.
- Complying with all employment and health and safety laws including those related to human rights, human trafficking, modern slavery and public safety.

Our Manager operates a Whistleblowing Policy and implements the necessary mechanisms to enable escalation of any concerns of malpractice. All employees of the Manager, including those managing our portfolio, are required to complete anti-bribery, anti-corruption and AML training. They must also attend annual compliance refresher training, which incorporates all aspects of compliance law, as well as our own policies and procedures. These include market abuse, financial promotions, client money and assets, conflicts of interest and data protection, including the EU General Data Protection Regulation.

## 5.3 Expectations and requirements of third parties

As the renewables sector expands, demand for raw materials, resources and labour to support this development grows too, and the sustainability risks present in this global supply chain evolve. The Manager strives to ensure its high ESG standards and values are consistently applied across the supply chain supporting its investments, developments and operations. We adhere to our Manager's Supply Chain Policy, which provides the principles and practices to ensure ethical, sustainable and efficient sourcing and management of goods and services.

### 5.3.1 Enhancing supply chain due diligence

We conduct due diligence on service providers and counterparties, such as O&M contractors, fund administrators and advisers. This involves verifying the presence of suitable policies and attestations at the respective provider. In cases where these are lacking, we require the provider to adhere to our Code of Conduct Side Letter, ensuring equivalent compliance with relevant laws and regulations. It includes clauses related to bribery and corruption, data protection and privacy, governance, business ethics and integrity, environmental management, worker health and safety, community engagement and modern slavery. We also require evidence of compliance with the UK Modern Slavery Act 2015. Oversight of these procedures is carried out by the Manager's risk department.

### 5.3.2 Ongoing monitoring

Third party monitoring to ensure compliance and uphold safety standards is a critical aspect of our operations. We conduct regular audits of our service providers, including health and safety audits, which serve to evaluate their adherence to health, safety and environmental protocols. Prior to entering into contracts, we perform a competency assessment of our service operators and O&M providers.



Middlemoor

## 5.4 Cybersecurity

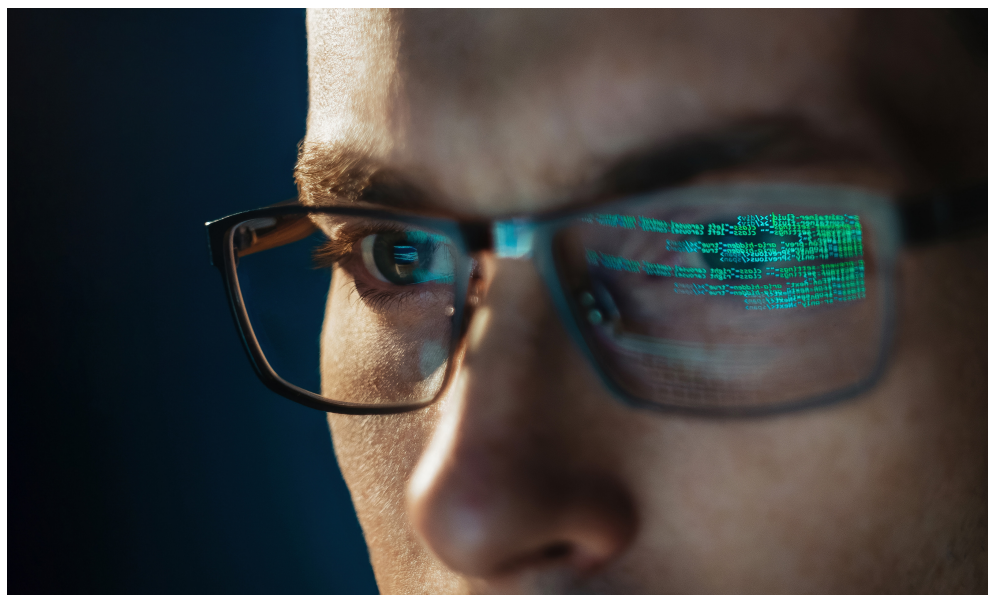
We take the confidentiality, data integrity and information security of our data and systems extremely seriously and aim to embed security at all stages of the technology life cycle. Taking a comprehensive and consistent approach to the security management of information minimises the likelihood of the occurrence and effects of any information security incidents.

Cyberattacks continue to pose a significant risk to the effective operation of assets. The Manager has continued to raise awareness, conduct vulnerability and penetration testing and ongoing monitoring, and enhance incident response procedures, where necessary.

Our IT governance is overseen by the Manager's IT, Business Intelligence and Change ('IBC') Steering Committee, which comprises four senior employees of the Manager and a member of the Management Committee. The Manager's IT Security Policy and Data Privacy and Protection

Policy were revised and updated in 2022, with an annual review performed by its service provider. We regularly review our own systems, conducting frequent network penetration tests and retaining the services of industry experts to continuously enhance our cybersecurity measures.

In 2023, we launched an enhanced cybersecurity resilience programme across our portfolio. This will strengthen our cybersecurity management system to ensure we stay on top of managing cyber risks, protect our assets against cyberattacks, detect events and minimise the impact of cybersecurity incidents.





6.0

# Looking forward

As we conclude our 2023 ESG Report, we acknowledge that the journey towards a net zero economy has never been more pressing. The need for swift and decisive action to combat climate change underscores the vital role the Company plays in supporting the transition to a low carbon energy system and to meeting the growing demand of the UK renewables market.



We understand the role of increased disclosure and enhanced transparency in building trust among our shareholders and other stakeholders. We will continue to respond to the evolving regulatory landscape and disclose against ongoing ESG reporting requirements. While the Company has reported in line with the recommendations of TCFD in its Annual Report for the past three years, in 2024, it will fall into scope of the FCA rules around TCFD reporting; as such, product level TCFD disclosures will be made available on our website and the Manager will publish its entity-level disclosures by 30 June 2024. As part of enhancing our TCFD disclosures, a priority for 2024 is to evolve our climate scenario analysis approach and related disclosures.

Over the coming year, a key focus for us is to expand our approach to biodiversity. We are supportive of the new guidance from the Taskforce on Nature-related Financial Disclosures ('TNFD') and recognise the need for greater transparency around biodiversity data. The Manager has completed a review of the TNFD requirements and will continue to familiarise itself with guidance documents and market trends to ensure alignment.

In 2024, we will continue to work towards meeting the requirements of the new UK SDR, with disclosures on the SDR's anti-greenwashing rule, investment labels, and alignment with the naming and marketing rules by the end of the year.

We will also continue to find ways to collaborate with others and to contribute to the development of the industry by sharing our wealth of knowledge, expertise and networks. As part of the Manager's membership of G+ we will continue to maintain robust health and safety standards and ensure that we uphold a best practice approach.

We will continue to implement measures that go beyond compliance, reinforcing our commitment to responsible business practices. We recognise that our success is intrinsically linked to our ability to adapt, innovate and contribute meaningfully to the global effort to combat climate change.



Tappaghan



# 7.0

# Key performance indicators

## KPIs as of 31 December

Metric	2021	2022	2023
<b>Overview</b>			
1. Total number of assets at all stages	43	45	49
2. Total number of operating assets	43	45	49
3. Total number of forward sales and under construction assets	n/a	2	0
4. Total installed capacity of assets at all stages (MW)	1,422	1,878	2,007
5. Total installed capacity of operating assets (MW)	1,422	1,610	2,007
6. Total installed capacity of forward sales and under construction assets (MW)	n/a	268	0
7. Renewable electricity generation based on run rate figures (GWh) for 2024	3,685	4,606	6,325
8. Renewable electricity generated (GWh)	2,933	4,362	4,743
9. Cumulative renewable electricity generated since inception (GWh)	14,364	18,726	23,469
10. Number of homes (equivalent) powered by clean energy based on run rate generation figures (million) for 2024	1.5	1.8	2.3
11. Number of homes (equivalent) powered by clean energy (million)	1.0	1.5	1.8
12. Number of people (equivalent) whose energy needs were met based run rate generation figures (million) for 2024	3.6	4.3	5.6
13. Number of people (equivalent) whose energy needs were met (million)	2.4	3.6	4.2
<b>Environment</b>			
14. Tonnes of CO <sub>2</sub> avoided based on run rate generation figures (million) for 2024	1.7	2.0	2.5
15. Tonnes of CO <sub>2</sub> avoided (million)	1.2	1.7	1.9
16. Percentage and number of assets that have habitat management plans or any environmental planning requirements in place	100 (43 assets)	100 (45 assets)	100 (49 assets)
17. Number of reportable environmental incidents	1	1	2
18. Number of independent ecological / environmental assessments conducted across our assets	45	142	119

(17) 2021 GHG emissions were calculated using an internal estimation approach. From 2022, the Company has applied the methodology set out in the GHG Protocol with support from external consultants.

(18) GHG emissions figures in this table is reported according to the market-based approach.

Metric	2021	2022	2023
19. Total GHG emissions (scope 1,2 and 3) (tonnes of CO <sub>2</sub> e)	88,017 <sup>(17)</sup>	137,732	262,637 <sup>(18)</sup>
20. Scope 1 emissions (tonnes of CO <sub>2</sub> e)	35	149	13
21. Scope 2 emissions (tonnes of CO <sub>2</sub> e)	74	1,422	1,485
22. Scope 3 emissions (tonnes of CO <sub>2</sub> e)	87,908	136,161	261,138
<b>Social</b>			
23. Number of operating assets that had an independent health and safety audit	24	27	27
24. Number of operating assets that have received an internal health and safety audit	38	42	43
25. Percentage of staff involved in operations that have completed health and safety training	100	100	100
26. Number of reportable lost time incidents	1	6	2
27. Number of reportable working days lost to injuries, accidents, fatalities or illness	n/a	41	30
28. Amount invested in community funds and social projects (million)	£3.0	£4.0	£4.4
29. Number of community funds and social projects invested in	n/a	577	893
<b>Governance</b>			
30. Number of assets that have undergone cybersecurity vulnerability and penetration tests	22	22	22
31. Number of assets that have carried out additional cybersecurity enhancing activities	5	3	9
32. Number of assets that implemented internal controls, audit systems, board level oversight and relevant ESG policies	38	45	49
<b>Sustainability</b>			
33. Sustainable Financial Disclosure Regulation classification	n/a	Article 9	Article 9
34. EU Taxonomy alignment (%)	n/a	100	100
35. Institutional Shareholder Services (ISS) ESG Corporate Rating	n/a	n/a	B+



# 8.0 Glossary



**Carbon dioxide equivalent (CO<sub>2</sub>e):** A standard unit that measures the total greenhouse gas emissions from various sources, expressed in terms of the amount of carbon dioxide that would have the same warming effect.

**Circular economy:** An economic model designed to minimise waste and make the most of resources by promoting product longevity, recycling and sustainable practices.

**COP28:** The 28th Conference of the Parties, referring to the annual United Nations Climate Change Conference where global leaders, negotiators and stakeholders discuss and negotiate climate related policies and actions.

**EU Sustainable Finance Disclosure Regulation (SFDR):** A regulation that aims to standardise and improve the transparency of sustainability related disclosures in the financial services sector within the European Union.

**EU Taxonomy:** A classification system that defines environmentally sustainable economic activities, helping investors and companies identify and communicate them.

**Key performance indicators (KPIs):** Quantifiable measures used to evaluate the success or performance of an organisation or a specific activity.

**Net Zero Asset Managers (NZAM) initiative:** An initiative involving asset managers committed to supporting the goal of global net zero greenhouse gas emissions by 2050.

**Net zero:** A state where the balance between the amount of greenhouse gases emitted and removed from the atmosphere is neutral, typically achieved by reducing emissions and investing in carbon removal or offset projects.

**Offshore wind:** Wind energy generation that takes place in bodies of water, typically the ocean, using wind turbines installed on platforms or underwater structures.

**Onshore wind:** Wind energy generation that takes place on land, utilising wind turbines to convert wind energy into electricity.

**Operations and maintenance (O&M):** The activities involved in the day-to-day operation and maintenance of infrastructure or facilities.

**Scope 1 emissions:** Direct greenhouse gas emissions from sources that are owned or controlled by the reporting entity, such as emissions from combustion processes.

**Scope 2 emissions:** Indirect greenhouse gas emissions associated with the consumption of purchased or acquired energy, such as electricity.

**Scope 3 emissions:** Indirect greenhouse gas emissions that occur in the value chain of the reporting entity, including both upstream and downstream emissions.

**Special purpose vehicle (SPV):** A subsidiary created by the parent company, which operates as a separate legal entity.

**Task Force on Climate-related Financial Disclosures (TCFD):** A framework developed to help organisations disclose climate-related financial risks and opportunities.

**Taskforce on Nature-related Financial Disclosures (TNFD):** A framework developed to help organisations to report and disclose their dependencies and impacts on nature.

**Thermal generation:** The production of electricity using heat, often derived from burning fossil fuels or other heat sources.

**UK Sustainability Disclosure Requirements (UK SDR):** UK regulatory requirement for companies to disclose information related to environmental and social matters in their annual reports.

**UN Principles for Responsible Investment (PRI):** A set of principles designed to guide investors in incorporating environmental, social and governance factors into their decision making processes.

**UN Sustainable Development Goals (SDGs):** A set of 17 global goals established by the United Nations to address various social, economic and environmental challenges by 2030.



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