



**Greencoat UK Wind PLC**  
ESG Report 2020

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Visit [www.greencoat-ukwind.com](http://www.greencoat-ukwind.com) or call +44 (0)20 7832 9400 for more information. The Financial Conduct Authority (FCA) is the competent authority of Greencoat Capital LLP.

# 1 Foreword

As the largest renewable infrastructure fund and one of the largest owners of wind farms in the UK, Greencoat UK Wind PLC continues to prove the viability of clean energy as a robust sector for investment. The Company is one of the pioneers amongst the 20 green funds listed on the London Stock Exchange with aggregate market capitalisation of more than £10 billion<sup>1</sup>.

Greencoat UK Wind exists to provide investors with the opportunity to be a part of the UK's energy transition by participating directly in the ownership of UK wind farms. We now own approximately 1.2GW of installed capacity across 38 onshore and offshore wind farms. By dedicating resources to the deployment of renewable energy we are playing an active role in reducing the UK's greenhouse gas emissions and accelerating a move towards net-zero for the whole economy. Since IPO, the Company's operating wind farms have produced 11,435GWh of clean energy, saving 4,574,088 tonnes of CO<sub>2</sub>.

To sustain the long term success of our business, the Company acknowledges and understands the importance of effective management of environmental, social and governance (ESG) matters for all stakeholders. I am proud to say we are making strong progress, as this annual ESG report shows.

Our commitment to the environment extends beyond the clean energy generated by our wind farms. It also includes how we manage the habitats and landscapes around them. Our efforts to restore peatland at Dunmaglass (p. 7) and encourage wild birds to return home at Stronelaig (p. 7) are good examples of this work in action.

We are also committed to making sure our wind farms are safe places to work – something that has been more challenging with the arrival of the pandemic. New COVID-19 measures were introduced across the portfolio, ensuring compliance with Government issued guidelines and protocols.

The wind farms that make up the Company's portfolio are part of local communities and we are proud of our work in rural areas supporting jobs and contributing to community fund investments. Since 2018, we have invested more than £8 million in community funds and social projects.

Greencoat UK Wind strives to maintain high standards of corporate governance and effective risk management at both a company and wind farm level. The Company supports the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and refers to them for guidance on addressing climate-related risks and opportunities across the Company and enhancing our disclosure.

Greencoat UK Wind will continue to lead the way in encouraging responsible investment to accelerate the development of the UK's wind energy sector further. We will do this in a way that not only maximises returns for our shareholders, but creates positive benefit for the communities and the natural environment in which our wind farms operate.

**Shonaid Jemmett-Page**  
*Chairman*

<sup>1</sup> London Stock Exchange Group - <https://www.lseg.com/markets-products-and-services/our-markets/london-stock-exchange/investment-funds/renewable-funds>

## 2 About Greencoat UK Wind PLC

### Who we are

### Greencoat UK Wind PLC is the leading renewable infrastructure company, invested in operating wind farms in the UK.

With approximately 1.2GW of installed capacity across 38 onshore and offshore wind farms, and a market capitalisation of £2,448.0 million as of 31 December 2020, the Company is the largest renewable infrastructure fund and one of the largest owners of wind farms in the UK.

We were the first renewable infrastructure fund to list on the London Stock Exchange Main Market in March 2013,

pioneering the listed fund model and proving the viability of renewable infrastructure as a robust sector for private investment. Greencoat UK Wind has been a constituent of the FTSE 250 index since 2016, and the Company is classified as a Green Economy Issuer by the London Stock Exchange.

### Investment objective

The Company's aim is to provide investors with an annual dividend that increases in line with RPI inflation while preserving the capital value of its investment portfolio on a real basis over the long term through reinvestment of excess cashflow and the prudent use of gearing.

The Company provides investors with the opportunity to participate directly in the ownership of wind farms in the UK, so increasing the resources dedicated to the deployment of renewable energy and the reduction of greenhouse gas emissions.

The Company has consistently delivered on this promise and as a result, has helped accelerate the UK's transition to a net-zero carbon economy.

Since listing, the annual dividend has increased by RPI every year and in that time has grown from 6p per share in 2013 to the targeted 7.18p for 2021. The Net Asset Value has increased by 22.9% vs RPI growth of 18.8%.

### Our wind farms



38\*

Operating wind farms  
under management

1,173<sub>MW</sub>

Installed capacity under  
management  
(As of 31 Dec 2020)



Existing assets

New assets 2020

\* The Douglas West wind farm has been under construction during 2020, so it is excluded from the map and the ESG performance figures throughout the report.

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## Our governance and structure

The Board of Directors is responsible for the determination of the Company's investment objective and policy. It also oversees the management of the Company and its investments, including ESG and climate related risks and opportunities.

The Board is made up of five independent non executive directors. All of them bring significant and complementary experience in the investment management of listed funds, equity capital markets, as well as public policy, operations and

finance in the energy sector. Shonaid Jemmett-Page succeeded Tim Ingram as our Chairman following his retirement in April 2020.

Greencoat UK Wind is a member of the UK Association of Investment Companies (UK AIC). The Company applies the UK AIC's Code of Corporate Governance to ensure best practice in governance.

### The Board of Directors



**Shonaid Jemmett-Page**



**William Rickett**



**Martin McAdam**



**Lucinda Riches**



**Caoimhe Giblin**

The Board delegates the day-to-day management of the business, including management of ESG matters, to the investment manager, Greencoat Capital LLP. Greencoat Capital is a specialist in renewable energy investment with over £6 billion of funds under management and a track record in the UK of delivering strong shareholder returns and robust ESG management. The dedicated Greencoat UK Wind team has been led by Stephen Lilley and Laurence Fumagalli since IPO.

Greencoat Capital has been a signatory to the United Nations backed Principles for Responsible Investment (PRI) since 2016. In the 2020 PRI assessment, Greencoat Capital maintained its A score in the Strategy and Governance reporting module and achieved A+ score in the Infrastructure module.

### Management Team



**Stephen Lilley**

**Laurence Fumagalli**

## 3 Our approach to responsible investment

### Enhancing returns while creating long-term value for our stakeholders

**To deliver on our business objectives and maximise the range of positive socio-economic benefits wind energy provides, careful consideration of ESG issues is crucial.**

In 2020, our wind farms generated 2,952GWh of sustainable electricity. By the end of 2020, the portfolio was generating sufficient electricity to power over 1.2 million homes and reducing CO<sub>2</sub> emissions by approximately 1.5 million tonnes per annum through the displacement of thermal generation. With 1,173MW of capacity, the Company is also helping secure energy supply for the UK and supporting rural communities.

Managing ESG issues effectively produces better results for our shareholders and also for stakeholders across wider society. Our environmental commitment extends beyond the clean energy we generate and includes how we manage the habitats and landscapes around our wind farms.

As the leading UK listed renewable infrastructure fund, Greencoat UK Wind has an important role to play in

championing both responsible investment and the development of the renewable energy sector. We achieve this through continuous engagement with all industry stakeholders and transparently sharing our ESG approach and results with investors.

As a member of Renewable UK, the UK's leading wind energy trade association, the Company is keen to work with other stakeholders to develop the industry further. For instance, the Company continues to take an active role in the Health and Safety Working Group, which provides feedback and recommendations directly to SafetyOn, the Health and Safety organisation for the onshore wind sector. We are also supporting the formation of a new owners-only forum in 2021.

### ESG oversight and implementation

The Company ESG Policy<sup>2</sup> has been developed by Greencoat Capital and is approved and overseen by the Greencoat UK Wind Board.

The day-to-day management of the business is delegated to our investment manager, Greencoat Capital, who is also responsible for ESG matters. Greencoat Capital assesses how relevant ESG factors should be managed by the Company. It does this before investments are made and then continuously during the life of each wind farm.

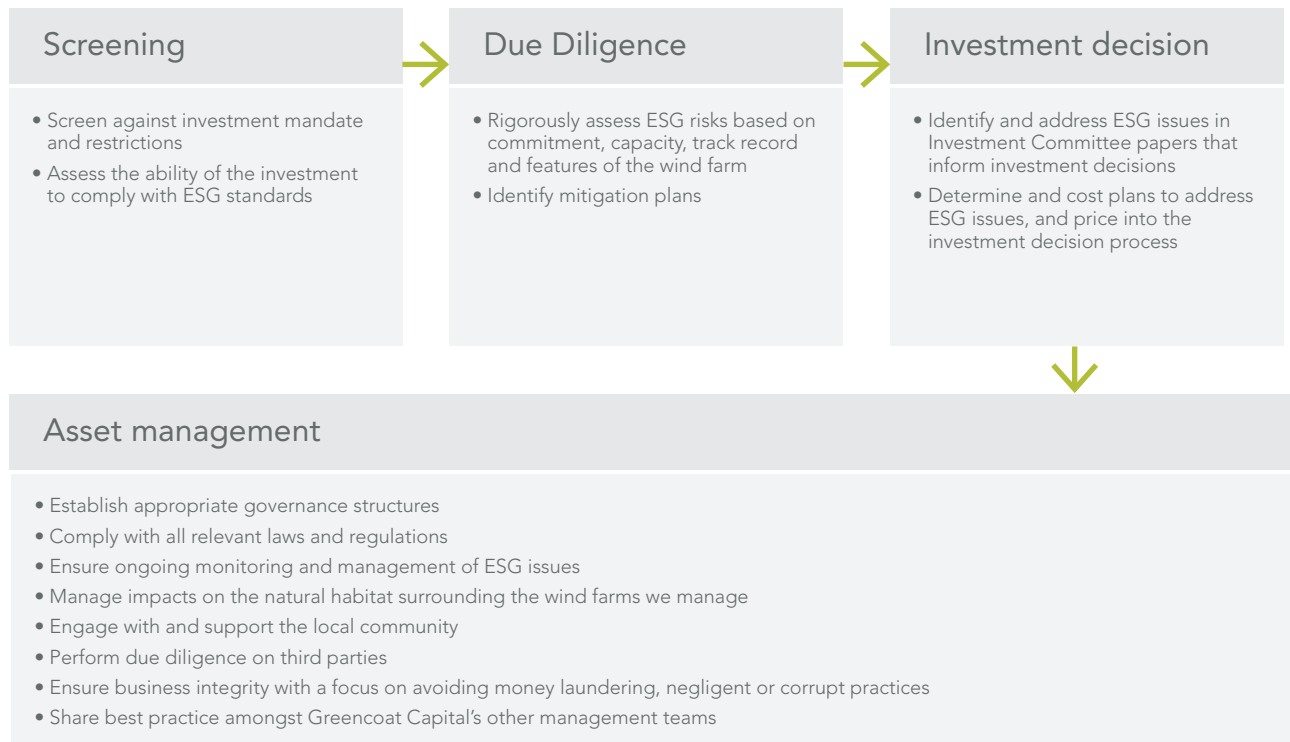
Greencoat Capital has representation on the Boards of the operating wind farm companies which oversee performance, including on ESG matters, and meet quarterly. From these ongoing reviews, Greencoat Capital reports quarterly to the Company Board, with data on production, wind farm availability, key events and health and safety performance.



<sup>2</sup> <https://www.greencoat-ukwind.com/about-us/esg>

## A robust approach to ESG management

This robust management structure enables the Investment Manager to oversee ESG issues effectively throughout the lifecycle of our wind farms:



## 2020 update on our ESG KPIs

**1,180,969** tonnes  
of CO<sub>2</sub> savings  
(2019: 953,908 tonnes of CO<sub>2</sub> savings)

**2,952** GWh  
of renewable energy generated,  
enough to power 1,018,077 homes  
in the UK  
(2019: 2,385 GWh and 769,281 homes respectively)

**All 38**  
of our wind farms have  
an environmental habitat  
management plan  
(2019: All 35)

**17**  
of our wind farms had an  
independent safety audit in 2020,  
and 12 underwent a safety audit by  
the Greencoat Capital team (2019: 6  
and all 35 wind farms)

**£3.8** million  
invested in community funds or  
social projects  
(2019: £2.7 million)

**All 38**  
wind farms implemented internal  
controls / audit system / Board  
level oversight and relevant ESG  
policies  
(2019: All 35 wind farms)

**All 3**  
wind farms that we bought in 2020  
had relevant ESG assessment as part  
of their due diligence and investment  
decision  
(2019: All 3 wind farms)

## 4 Environment

As one of the largest owners of wind farms in the UK, Greencoat UK Wind is focused on taking actions to support climate change mitigation through the generation of renewable energy, while minimising the potential impacts that the operation of wind farms may have on local habitats and the environment.

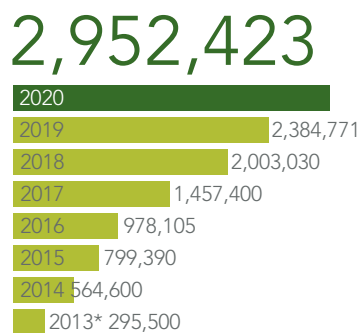
### Producing renewable energy: the net-zero transition and our contribution

The world faces a serious climate challenge, and the UK is taking an active role as a global leader in greenhouse gas emissions reduction.

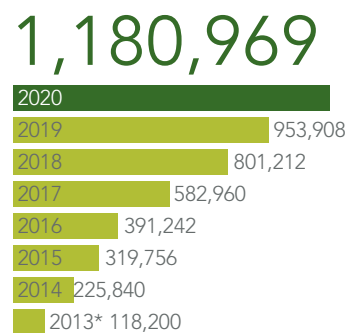
The Government's Ten Point Plan for a Green Industrial Revolution set out the UK's plan to be net-zero by 2050. It includes an ambition to produce enough offshore wind to power every home in the UK, quadrupling UK offshore generating capacity to 40GW by 2030<sup>3</sup> – a goal that will require substantial investment.

Greencoat UK Wind supports this investment by allowing developers and utilities to recycle their capital, and by demonstrating the attractive long term returns in the industry through our prudent management of wind farms, thereby reducing cost of capital. In 2020, our wind farms generated 2,952GWh of sustainable electricity, demonstrating our continuous and significant growth since our inception in 2013.

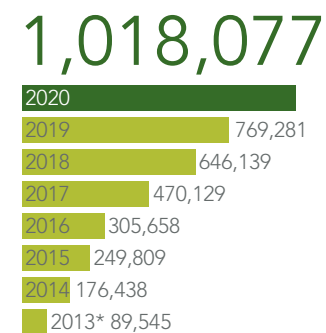
#### Electricity produced (MWh)



#### CO<sub>2</sub> savings (tonnes)<sup>4</sup>



#### Equivalent number of homes powered<sup>5</sup>



\*1 April - 31 December 2013

### Protecting the local environment

We are committed to protecting the local environment around our wind farms, recognising the potential impact that our wind farms can have on local terrestrial and aquatic wildlife and landscape.

As such, we seek to protect the local environment around our wind farms by using robust environmental management systems. These include policies, periodic risk assessments, monitoring and regular reporting to our Board and the Boards of each of the wind farm companies. Through these measures, we also ensure compliance with all applicable laws, regulations and planning permissions as administered by the Environment Agency, Health Protection Agency, local authorities, Ofgem, UREGNI or any other relevant regulatory body, including the data reporting obligations under Renewable Obligation Order 2009.

Our core activities include:

- Maintaining management systems to evaluate the potential risks and impacts of our activities and avoiding or mitigating environmental impacts on biodiversity, air quality, noise, and waste management where relevant.
- Running habitat management plans (HMP) for each of our 38 wind farms.
- Undertaking additional environmental impact assessments or undergoing regular monitoring, as required.
- Seeking to work with partners who uphold good industry standards – from operational managers whose management systems comply with the requirements of ISO 14001:2015 (environmental management systems) to the material contractors we use.
- Regular reporting to our Board and the Boards of each of the wind farm companies.

<sup>3</sup> The Ten Point Plan for a Green Industrial Revolution, 2020, <https://www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution/title>

<sup>4</sup> Throughout this document, CO<sub>2</sub> savings are calculated based on a factor of 0.4 tonnes of CO<sub>2</sub> per MWh to reflect displaced thermal generation.

<sup>5</sup> Based on an estimated Typical Domestic Consumption value for medium profile Class 1: <https://www.ofgem.gov.uk/gas/retail-market/monitoring-data-and-statistics/typical-domestic-consumption-values>



Before



After



#### CASE STUDY

### Dunmaglass – restoring peatland

Dunmaglass is located 15 miles south of Inverness in the Scottish Highlands and consists of 33 turbines with a total capacity of 94MW.

Since construction completed in 2017, Dunmaglass has overseen a peatland restoration project to help the natural landscape recover. Peat is home to a wide range of rare, threatened, or declining habitats, plants and animals. The initiative has been a huge success, with the natural habitat showing vital signs of recovery, including cotton grass beginning to establish in the water that has been held on site in newly created peat dams.

#### CASE STUDY

### Stronelairston – bringing eagles home

Stronelairston is a 66 turbine, 228MW onshore wind farm near Fort Augustus, 35 miles south of Inverness.

As part of Stronelairston's Habitat Management Plan, the onsite teams have been monitoring the presence of native birds across the landscape, including Golden Eagles, Golden Plovers, Dunlins and Greenshanks. By enhancing their habitat and adding several supplementary feeding stations within the wind farm, many of these birds have been spotted visiting the site, including this Golden Eagle (pictured) in December 2020.



## We are committed to ensuring safe workplaces and to supporting rural areas through the creation of jobs and our community fund investments.

It is important that the wind farms are truly part of the community. Our approach aids long term support for wind farms in the UK, which helps the industry to continue its buildout.

### Supporting worker safety and fair employment on our sites

We care that the workers on our sites are safe. The arrival of COVID-19 in 2020 only reinforced the importance of employee health and wellbeing.

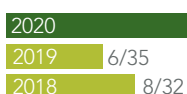
We also recognise the need for people to be paid fairly for the work they do and to have appropriate working conditions. By doing this, we help to sustain and grow the local communities in which our wind farms operate.

We achieve this through a range of activities, including:

- Seeking to comply with all applicable laws relating to employment, occupational health and safety, human rights, prevention of human trafficking and modern slavery, public safety and security and community matters, including the Wind Turbine Safety Rules.
- Implementing health and safety best practices through wind farm specific health and safety policies, project management, contractual arrangements, staff training and stakeholder education.
- Assessing and monitoring health and safety practices through wind farm specific risk identification and prevention activities. In the past year, these activities included: regular safety checks carried out by the operations and maintenance (O&M) service providers at all wind farms; safety walks by the Greencoat Capital team at 12 wind farms; independent health and safety audits by an accredited professional at 9 wind farms, and electrical safety inspections at 10 sites. In 2020, there were two specific aspects of focus: ensuring compliance with all applicable Government issued COVID-19 guidelines and protocols; and maintaining high standards of electrical safety, with particular focus on high voltage equipment.
- Reporting on key health and safety data regularly, with escalation and rapid response procedures in place in case of emergency.

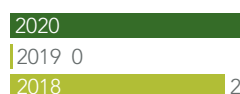
**Number of operating wind farms that had an independent safety audit undertaken**

17/38



**(Recordable) lost time incidents**

3\*



#### CASE STUDY

#### North Hoyle – protecting people from COVID-19

North Hoyle was Wales' first offshore wind farm and is located off the North Wales coast in Liverpool Bay. The 30 turbine, 60MW wind farm produces enough energy to power 50,000 homes a year. To protect the technicians working at North Hoyle, a new health and safety measure was introduced in early 2020 requiring all contractors and visitors to the site to produce a negative COVID-19 test result. Since then, teams have operated in isolated 'bubbles', and the number of people admitted onboard Crew Transfer Vessels has been reduced to enable social distancing.

Employees can also enjoy good facilities to make the most of their 'weathered off time' (around 30% of the time), with recreational areas for socialising and a gym.



<sup>(\*)</sup> During 2020, three O&M employees were injured while conducting maintenance activities at our wind farms and have since recovered. Due investigations were carried out in full cooperation with the relevant authorities and stakeholders, and findings actioned. As a result, O&M service providers reviewed and revised their health and safety policies and procedures. We will continue to monitor the standards maintained by the O&M providers of our wind farms to seek assurance that high standards of health and safety performance are achieved and maintained.

## Supporting the communities around our wind farms

We care about the communities around our wind farms. We engage with local communities to ensure respect for land and access rights and that our wind farms are managed in accordance with planning permissions.

We hold regular dialogue with community funds and provide financial support to local groups through community benefit schemes that fund local projects.

These funds help deliver a range of services, from improving local amenities and infrastructure and aiding educational projects for local schools, to providing COVID-19 emergency and response.

### Investment in community benefit funds and social projects

**£3.844 million**



## Supporting the communities during the pandemic

As the COVID-19 virus spread in early 2020, and local and national lockdowns came into force, we quickly implemented actions to support communities in dealing with emergencies. Actions taken included:

- Offering 10% of the annual community benefit funds amounts to help with community COVID-19 response activity.
- Early release of funding to safeguard key community projects.
- Extension of funding to key social projects to ensure support for the most vulnerable.

### CASE STUDY

#### Earls Hall Farm – supporting local charity relocation

Earls Hall Farm is a five-turbine, 11.5MW wind farm near Clacton-on-Sea in Essex. The local village of St Osyth is home to the St Osyth Historical Society which was founded in 1995 to promote interest in the history of the village. It runs the Social History Museum which houses artefacts, documents and photographs. The museum will move to a larger building in St Osyth's Priory to enable greater visitor access to its exhibition. While the renovation work at the new building is taking place, we provided funding to the Society to relocate the museum to a temporary location (picture). The funds will also be used to purchase IT equipment to maintain an artefacts database, audit the museum's contents and enable online interaction for public enquiries, as well as other equipment, such as cabinets and display boards in the temporary building.



### CASE STUDY

#### Stroupster – an upgrade for the village hall

Stroupster is a 13 turbine wind farm with a capacity of 24MW, located in northern Sutherland. St Clare Hall is an important asset to the people of Auckengill, a nearby community and provides a vital function in bringing people together in a sparsely populated area of just 40 to 50 households.

The Hall was originally brought over from Orkney in the 1920s with money raised by local people and installed on land also purchased by the community. Now, the St Clare Hall Committee has been awarded £12,810 to carry out a number of important upgrades to the building, including replacing the windows and fascia boards, building an extension to the car park, replacing flooring in the toilets and installing a new noticeboard to keep the community updated on upcoming events.

## 6 Governance

**We believe that having robust governance is fundamental to ensure we identify and manage risk and run the Company in a way that will continue to deliver strong returns and protect the interests of our shareholders.**

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### Governance and risk management activities

To ensure strong performance, we reinforce our specific oversight on environmental and social issues with a range of activities, including:

- Appointing at least one director from Greencoat Capital to the Boards of the wind farm companies, to ensure monitoring and influence of both financial and ESG performance.
- Carrying out due diligence to ensure that any new outsourced service providers are reputable and responsible organisations.
- Carrying out due diligence during the acquisition of new wind farms in accordance with our established procedures and ESG policy, and in compliance with the Alternative Investment Fund Managers Directive Due Diligence policy.
- Complying with all applicable anti-bribery and corruption, and anti-money laundering laws and regulations and implementing policies to ensure this performance is in line with the policies of Greencoat Capital.

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### Climate related risks and disclosures

As a Company investing in UK wind farms, we are making a positive contribution to the global goal of achieving a net-zero carbon emissions economy and limiting global warming to 1.5°C. The Board and Greencoat Capital meet regularly and discuss risk management, including climate related risks as they naturally relate to the Company's wind farm investments.

The Board is aware of the Company's responsibility to provide transparent and comparable climate related information to shareholders. These disclosures are included in the Company's Annual Report 2020 in line with the recommendations of the TCFD.

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### Cyber security

In 2020, we further strengthened the cyber security across the portfolio of wind farms to respond to the growing risk that cyber attacks pose to the effective operation of wind farms. The Greencoat Capital team has continued to raise awareness, carry out vulnerability and penetration testing and ongoing monitoring, and enhance incidence response procedures, where necessary.



