



**MPC Capital**



RENEWABLE ENERGIES@MPC

| → 2020

# ESG REPORT



**ENVIRONMENTAL  
RESPONSIBILITY**



**SOCIAL  
RESPONSIBILITY**



**CORPORATE  
GOVERNANCE**

# Table of Contents

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<b>Foreword from the Board</b>	3
<b>ESG Operational Investment Overview</b>	4
Environmental, social and governance factor	6
Environment and social management system	6
<b>Environmental and Social Governance: Activities and Initiatives 2020</b>	7
Paradise Park	8
Tilawind	9
<b>Applied reporting guidelines</b>	14
Environment	15
Social	16
Governance	17
<b>Key Performance Indicators</b>	19
<b>Commitment to Sustainable Development Goal</b>	21
<b>Infrastructure ESG Awards, Memberships and Partners</b>	19



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[www.mpc-capital.com](http://www.mpc-capital.com)

# Board's Statement

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**“Our ESG Principles serve as a guideline for sustainable and responsible investments in all our segments.”**

**Dear investors and partners,**

ESG is at the core of today's Stakeholder interest and will become so more and more in the future. By integrating Environmental, Social and Governance issues (ESG) into our investment process we assume responsibility for the societal and environmental challenges of the current century.

At the same time we ensure the future of our company and will create long-term value for our investors. At MPC Capital we are committed to the UN Principles of Responsible Investment (UN PRI) guiding our investment processes and our view of assets. We became a signatory member of the PRI and will continuously adhere to its six principles.

Our own MPC Capital ESG principles are based on the principles of the PRI and serve as a guideline to investing sustainably and responsibly in all our asset segments reflecting our commitment to socially and environmentally responsible actions.

Your Management Board of MPC Capital AG



**ULF HOLLÄNDER**

MPC Capital AG  
CEO

# ESG Operational Investment Overview

**“The Caribbean basin is a very special region and bringing renewable energies to these heavily fossil dependent countries is a big step to securing a cleaner environment for future generations.”**

As we review the year, we extend sincere gratitude and appreciation to our board of director, investors, colleagues, and partners. We are especially thankful for their resolve and commitment to our goals, without wavering, even during these uncertain times and dire conditions spawned by the Covid-19 pandemic. This support enabled us to continue to execute our investment strategy, including our various ESG plans based on the guidelines of our Environment and Social Management system.

As we continue to increase our Assets under Management in the region, we maintained our commitment to be socially engaged with the local communities. In our business activities of renewable energies, our intentions on the local environment is transparent with the Carbon Dioxide (CO<sub>2</sub>) emissions being offset by the clean energy produced. Moreover, we strive to maintain the waterways, wildlife and biodiversity in the proximities of our assets.

As we look at the impacts we have had on the communities where our assets are located, El Salvador was our most engaging location of this year. We are exceptionally proud because of the conditions under which we have had to work under and completing our San Isidro solar PV project in time and under budget. While working to deliver this new asset we implement and executed our community engagement and education plan. Organizing several community meetings to educate and inform the residents of the benefits of renewable energies. Going into details, explaining the technol-

ogy, its components, the energy conversion process as well as the avoidance of CO<sub>2</sub> emissions helped the community to understand the long term benefits. On the social aspect, we collaborated with Plan International to deliver hundreds of bags of core food supplies to families in the communities during the height of the first Covid-19 wave. We continued to have community outreach by having a local ESG consultant being available to address local concerns on the ground.

In Guajira region of northern Colombia, where we are developing very large wind project, our collaboration with the local communities is of utmost importance to the success of the project. Our community engagement involves 5 local communities of Indigenous Wayuú, where we are actively providing basic needs. To describe the concept of renewable energies to them, we were able to provide them portable solar PV powered lamps, allowing them to charge their lamps during the day so that they may use them at nights. As this is an remote location clean drinkable water can be a challenge, Hence, we have agreed to take tons of clean drinking water to the communities over several months during the year.

This past Christmas was especially challenging for the communities due to the COVID-19 situation, so we decided to make an extra effort with our donations. We were able to provide over a hundred 25-kilogram baskets of essential foods as well as over 80 bags of toys for the children in the communities.



**“On the social aspect, we collaborated with Plan International to deliver hundreds of bags of core food supplies to families in the communities during the height of the first Covid-19 wave.”**

The Costa Rican asset of Tilawind continues to be a good example of how nature and machine can co-exist while preserving the surrounding wildlife and maintaining its biodiversity. The monthly inspections by the environmental agencies are ongoing and we work together with them to ensure that we continue to maintain the surround wildlife’s habitat and poses no dangers to avian or bats. Since the Commercial Operations Date (COD), there has been only one carcass found in the proximity of one kilometer from the asset, which occurred in 2015.

Paradise Park has continued to be a good example of the execution potential of large scale utility projects in the region. With its production of almost 80 GWh produced in 2020 It has continued to be the largest CO2 reducer in Jamaica. The annual environmental assessments were performed by ESL, the same company that performed it during the development and construction phases.

Additionally, the financing institutions of the project commissioned The Wood Group to perform an independent environmental assessment of the asset. Mainly housekeeping items were identified such as better storage of chemicals and vegetation control which were executed according to the frequency in the O&M contract, but required a more frequent cutting due to the excessive rains caused by multiple storms and hurricanes in the year.

We are confident that our ESG plans will evolve as we update the ESMS to meet the requirements of our growing portfolio of assets under management. We will continue to be fully engaged in each community where we are currently present as we manage the assets effectively for our investors.



**DAVID DELAIRE**

Managing and ESG Director  
at MPC Capital,  
Renewable Energies

# ESG During Asset Full Life Cycle



	Origination	Construction	Asset Operations
Tools	<ul style="list-style-type: none"> <li>+ Environmental and Social Due Diligence</li> <li>+ Impact assessment model to estimate the lifetime environmental footprint</li> <li>+ Business Partner check</li> </ul>	<ul style="list-style-type: none"> <li>+ Environmental and Social Assessment Report</li> <li>+ Environmental and Social Management Plan</li> <li>+ Community Engagement Plan including proper grievance mechanisms</li> <li>+ Health, Safety and Environmental audits and periodic reporting</li> </ul>	<ul style="list-style-type: none"> <li>+ Health, Safety and Environmental mandatory checks</li> <li>+ Emergency plan, periodic trainings to the operators and plant visitors</li> <li>+ Yearly Fauna Impact study</li> <li>+ Reporting and monitoring of the yearly corporate social responsibility budget</li> </ul>
Dedicated Resources	<ul style="list-style-type: none"> <li>+ ESG Director</li> <li>+ Origination Associate</li> </ul>	<ul style="list-style-type: none"> <li>+ ESG Director</li> <li>+ Asset Manager</li> </ul>	<ul style="list-style-type: none"> <li>ESG Director</li> <li>Asset Manager</li> </ul>
External Support	<ul style="list-style-type: none"> <li>+ Independent Technical Advisor</li> </ul>	<ul style="list-style-type: none"> <li>+ Construction Manager</li> </ul>	<ul style="list-style-type: none"> <li>+ Asset Manager</li> </ul>

## Environmental, social and governance (ESG) factor

MPC Capital, Renewable Energies is committed and conscientious of its Environmental, Social and Governance (ESG) goals. Being a responsible investment and asset manager, we apply our ESG strategies to all phases of the investment process as well as the life cycle of each asset. In January, the whole Renewables

Energies' team were trained with the new Environmental and Social Management System (ESMS). As previously mentioned, the ESMS is based on International Financial Corporation (IFC) standards. Later in the year, a follow up training and activities update for performed for the team.

## Environment and social management system

The ESMS remains the basis and guideline for the investments that are under management and future acquisitions. MPC Capital, Renewable Energies recognizes the importance of environmental and social factors in the complete investment cycle. Since the full implementation of the ESMS, we have been proactive in addressing the ESG aspects of each asset. Last year, the ESMS has provided guidance in order for us to enhance our activities:

- + Utilizing the ESMS, an ESG plan for San Isidro was created and implemented. With this plan, community engagement, biodiversity, Grievance redress mechanism (GRM) and Local regulatory framework are some of the main aspects addressed.
- + With Covid-19 affecting all aspects of life, impact assessments were performed for Tilawind and Paradise Park. A risk and impact assessment was performed during the construction phase for San Isidro.

 <b>BIODIVERSITY</b>	 <b>LABOR AND WORKING CONDITIONS</b>
 <b>HEALTH AND SAFETY</b>	 <b>COMMUNITY RELATIONS</b>
 <b>GENDER</b>	 <b>CORPORATE GOVERNANCE AND RESPONSIBILITIES</b>

Indicators of ESMS

# Environment and Social Governance: Activities and Initiatives 2020

## PARADISE PARK

### Highlights of Paradise Park in Environmental, Social and Governance

- + There were two independent audits that examined the operations of in terms of compliance with IFC Standards and best practices in the Environmental, Social and Governance aspect. The audits were carried out by Environmental Solutions Ltd. and Wood Group. The audits showed that the project meets key environmental and social operational requirements.
- + Recommendations for improvement were also submitted as part of the audits. The O&M company operating the wind farm has committed to implement these recommendations. The progress has been monitored through weekly meetings between the O&M and Asset Management companies.
- + The drainage of the plant was one aspect that was found to be in need of improvement at the time of the audit. The drainage works were soon after completed by the O&M company, significantly improving the conditions of the solar park during the rainy and hurricane season.
- + The annual environmental reporting to the National Environment and Planning Agency (NEPA) was submitted in November 2020, in compliance with the environmental permit.
- + As of November, there were no community projects or donations implemented in 2020. The on-site asset management team has been in communications with the local municipality to identify potential community engagement projects that could have a positive impact in the population.
- + At the end of November, the Park reached 12,624 hours or 526 days without any health or safety incident since the Commercial Operations Date, in June 2019.



## Activities and Initiatives: Jamaica



### ADEQUATE PERSONAL PROTECTIVE EQUIPMENT (PPE)

- + Personnel is adequately equipped including helmets, steel-toed boots, high visibility vests and masks.
- + Safety equipment is also available at site for external visitors.



### SECONDARY DRAINAGE WORKS COMPLETED DURING OCTOBER

- + The completion of the drainage system of the plant and the control of vegetation were two areas of the audits.
- + The first one has already been successfully implemented.



### O&M COMPANY AND LOCAL ASSET MANAGER HOLD WEEKLY MEETINGS TO REVIEW THE IMPROVEMENTS IN ESG OPERATIONS

- + O&M is committed to HSE compliance with several safety meetings and constructive measures taken in line with IFC performance standards.

## Activities and Initiatives: Jamaica



### DONATION OF SCHOOL SUPPLIES AND PROTECTIVE MASKS

+ During December 2020 children from the local communities (Savanna la Mar) were benefitted with school supplies as well as COVID-19 personal protection equipment in preparation for the school term in January.

## TILAWIND

### Highlights of Tilawind in Environmental, Social and Governance

- + A visit from the environmental inspector took place during this year. The wind farm was found in compliance with the EIA (Environmental Impact Assessment) requirements.
- + Tilawind started with the study of birds and bats, to identify and assess the impact in the ecosystems close to the wind farm. The study will be present in 2021 to SETENA detailing the results and recommendations from the independent advisor in charge of the study.
- + During the year, a series of donations were made to several institutions in the surrounding communities.

### Donation

- + Materials were made to the school „Los Angeles de Tilarán“ for the construction of a greenhouse where the children use waste to create something new.
- + A playground to the “Escuela El Aguacate” was built during July after the request was made by one of the students.
- + Food for the festivities of San Antonio de Padua.
- + Materials to the “Escuela San Luis de Tronadora” to repair the roof of the kindergarten classroom.



## Activities and Initiatives: Costa Rica



### JAIME GUTIERREZ BRAUN PUBLIC SCHOOL

+ March: Tilawind donated construction materials to the Jaime Gutierrez Braun public school, the school had some serious building problems that could mean physical damages to the children and teacher.



### BUS FOR THE CECUDI CHILDREN

+ March: Tilawind donated a minibus to the local municipality. This minibus transports children to the CECUDI which is an institution working to benefit parents and children, who belong to the social risk community. This institution is supported by the Costa Rican government. The main beneficiaries of the CECUDI are single mothers and families in poverty. With the donation, dozens of children of the CECUDI project will be able to benefit from free transport to and from school.

## TILAWIND

### A short history to the CECUDI

The objective of the government of the Republic of Costa Rica is to grant the possibility of providing comprehensive quality child care to children over 6 months and under 4 years and three months to families that are in situations of psychological and socioeconomic vulnerability.

The CECUDI program enhances the possibility of teaching English, providing IT classes and other topics to children.

**Some essential services of the national CECUDI network for children benefited are:**

- + Early stimulation: motor, sensory and cognitive
- + Complete Nutrition Plan (breakfast, lunch and snacks)
- + Individualized care and attention
- + Recreational and sports activities
- + Horticulture, gardening, cooking and others



### JUNE

Due to the coronavirus and the pandemic, many students have to attend classes virtually, but in Costa Rica not all people have access to internet or a printer for documents required for their studies. CINDEA, a educational center for adults, requested a printer to Tilawind, so that all the students can receive printed documentation to continue with educational knowledge process, and avoid students to give up the school year.

**CINDEA** is an institution that works to benefit the adult community. People that could not finish elementary or high school levels receive help, guidance and support by CINDEA. It also offers English classes and vocational training for people to work as secretaries, accountants or administrators. CINDEA has other benefits like dinner, transport and a library.



**AUGUST**

Each town (village, district) should seek their own income to improve the community buildings and public areas. Tilarán Municipality does not have enough income to invest in building improvements and renovations, then they request materials, equipment or products to the private sector.

The municipality requested some construction materials since it is planning some restorations in the main community building, where festivals, parties and other events organized for the community usually take place. This place (Salon communal) is a special place for the community since is the space they have to celebrate the school activities for the students, the book fair, the independence party, mothers and father’s day, among others.



**DECEMBER**

Sabalito school, is a public school located in the Tierra Morena’s down town. In costa Rica there is a law (7600, Equal Opportunities for people with Disabilities), stating that buildings should have the proper space and settings for people with special needs. Currently, the bathroom in this school does not comply with this law since the access is difficult and it has a small space for people with disabilities. Sabalito school is requesting materials to rebuild the bathrooms and improve the offered facilities for people with special needs. Tilawind was planning and coordinating the delivery of the donation during December.



# Applied reporting guidelines

In June 2018, the World Federation of Exchanges issued a Revised ESG Guidance and Metrics in order to encourage listed companies around the globe to disclose ESG baseline indicators. The Fund has embraced these recommendations and worked with applicable metrics selected based on a materiality approach guided by the definitions in the Global Reporting Initiative (GRI).

For each dimension of ESG, the Company has applied a materiality assessment in order to determine relevant topics for reporting and disclosure by considering (i) the organization’s impact on economic, environmental and social matters, and (ii) the importance of these matters to its stakeholders.

## ENVIRONMENT

The environmental factors look at how the Company performs in relation to the quality and functioning of the natural environment and systems. These factors include:

- + Biodiversity losses
- + Greenhouse gas (GHG) emissions
- + Climate change
- + Renewable energy
- + Changes in land usage, among others



Metric	Calculation	Result for year 2020	Comment
<b>Environmental operations</b>	Does your company follow a formal Environmental Policy? Yes, No	Yes	Comprised in the Investment Company’s Environment and Social Management System and MPC Code of Conduct
	Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	Yes	Comprised in the Investment Company’s Environmental and Social Management System
<b>Environmental oversight</b>	Does your Board/ Management Team oversee and/or manage climate-related risks? Yes/No	Yes	
	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes	
<b>Climate risk mitigation</b>	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	USD 12.85 million	For 2020, USD 12.85 million was invested in renewable energy assets

MPC Renewable Energies is committed to take effective actions to mitigate climate change. In 2020, on behalf of CCEF, it has invested the IPO net proceeds of USD12,850,000.00 for renewable energy infrastructure projects. The capital was invested into the Investment Company which subsequently holds ownerships in the three assets:

Paradise Park solar park in Jamaica (51.5 MWp), Tilawind wind farm in Costa Rica (21 MW) and Sand Isidro solar park (6.5 MWp). This was done under the oversight and management of climate related risks and sustainability issues are performed by the Fund’s Board before making an investment into these assets.



## SOCIAL

The social factors evaluate how a company manages the relationships with its employees, customers, suppliers, and the communities where it performs its operations. These factors include:

- + Human rights
- + Labor standards in the supply chain
  - Local Regulatory Framework
  - Risk and impacts assessment
- + Workplace health and safety
- + Diversity
- + Relations with local communities, amongst others
  - Communications plan
  - Grievance Mechanism

Metric	Calculation	Result for year 2020	Comment
<b>Gender diversity</b>	Percentage: Senior- and executive-level positions held by men and women	83.4%/ 16.6%	There are six directors and above level members in Renewable Energies. Five are male and one is female.
<b>Non-discrimination</b>	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes	Included in MPC Code of Conduct
<b>Child &amp; forced labor</b>	Does your company follow a child and/or forced labor policy? Yes/No	Yes	Comprised in the Investment Company's Environmental and Social Management System.
	If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Yes	
<b>Human rights</b>	Does your company follow a human rights policy? Yes/No	Yes	Comprised in the Investment Company's Environmental and Social Management and included in MPC Code of Conduct

## GOVERNANCE

Governance applies to the various assets and entities under management. Our approach is in line with our corporate governance guidelines and policies as well as in compliance with jurisdictional regulations.

Each entity has its own governing board of directors that provides guidance in various areas such as risk management, bribery and corruption, business ethics, ESG and investor/shareholder rights.



Metric	Calculation	Result for year 2020	Comment
<b>Cultural board diversity</b>	Percentage: Total boards/ committees seats occupied by men and women	72% / 28%	The board and committee seats are occupied by 23 men and 9 women
	Percentage: Committee chairs occupied by men and women	87.5% / 12.5%	The boards are culturally diverse, including 3 major regional ethnicities of African descendants, Asian, Caucasians and Hispanic/Latino
<b>Board independence</b>	Percentage: Total board seats occupied by independents	34.4%	There are 11 independent and 21 non-independent members
<b>Incentivized pay</b>	Are executives formally incentivized to perform on sustainability? Yes/No	No	
<b>Ethics &amp; anticorruption</b>	Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes	Included in MPC Code of Conduct
<b>Data privacy</b>	Does your company follow a Data Privacy policy? Yes/No	Yes	Included in MPC Code of Conduct

Metric	Calculation	Result for year 2020	Comment
<b>Sustainability reporting</b>	Does your company publish a sustainability report? Yes/No	Yes	The Metrics and KPI's in this report constitutes the sustainability reporting
	Is sustainability data included in your regulatory filings? Yes/No	Yes	Sustainability data will be included in mandatory annual reports starting from reporting year 2018 onwards.
<b>Disclosure practices</b>	Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	No	
	Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes	This report is for the purpose of reporting on the Metrics and KPI's based on the UN SDGs
	Does your company set targets and report progress on the UN SDGs? Yes/No	No	
<b>External assurance</b>	Are your sustainability disclosures assured or validated by a third party? Yes/No	No	

# Key Performance Indicators

## Environmental

	Measurement period	Date	Amount	Description
Replacement of trees (time)	Annually	31.12.2020	5	Year
Green power generation	Annually	31.12.2020	147,830.00	MWh
Environmental inspections: inspections	Semi-annually	31.12.2020	17	Number of inspections
Environmental inspections: incidents / days without incidents	Annually	31.12.2020	1,095.00	Number of days without incidents



Emission avoidance per month



Emission avoidance by transport per year



Replaced trees per year



Homes powered with green generation

## Social

	Measurement period	Date	Amount	Description
Number of jobs created directly on site	Annual	31.12.2020	351	Number of jobs
Frequency of accidents on site	Monthly	31.12.2020	0	Accidents on site per 100 hours worked
Health and safety audits conducted	Annual	31.12.2020	6	Number of audits

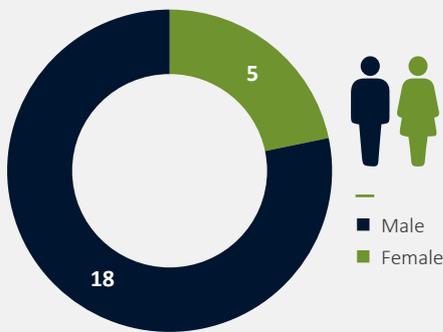


USD Dollars invested in communities or community activities in 2020

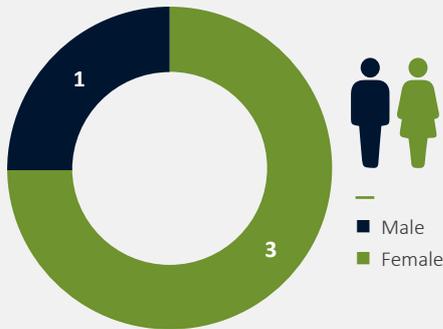
## Governance

	Measurement period	Date	Amount	Description
Business Partner Checks (BPC)	Annual	31.12.2020	105	Total
Board of directors: meetings	Quarterly	31.12.2020	16	Number of meetings
Advisory committee: meetings	Quarterly	31.12.2020	4	Number of meetings
Investment Committee meetings	As needed	31.12.2020	3	Number of meetings

### Board of directors: total members 23



### Advisory committee: total members 4



### Investment committee: total members 5



# Commitment to Sustainable Development Goal

The Fund recognizes the importance of the Sustainable Development Goals (SDGs) and its targets to end poverty, protect the planet and ensure prosperity by 2030. The Company generally supports all SDGs and will periodically review how they can be embraced through its corporate activities.

Although, there are some SDGs that are inherent to the Fund’s core business activities, and, after performing an assessment in early 2019 the Company has committed to support the achievement of the following SDGs by integrating them in its day to day operation:



**From the above mentioned goals, the Company has prioritized the following SDGs considering:**

- + The Fund primarily investment in solar PV and wind projects,
- + Direct contribution to effective climate change mitigations by investing in renewable energies, and
- + Support of positive social and environmental links with the communities and places where the projects will take place.

# Infrastructure ESG Awards, Memberships and partners

## IIGCC



Institutional Investors Group on Climate Change (IIGCC) is a platform for European institutional investors launched in 2001. The IIGCC pursues its objective of contributing to a low carbon economy by engaging with investors, companies and policy-makers on different working areas, including climate-related risks.

|→ [IIGCC.ORG](https://www.iigcc.org)

## Climate Action 100+



Climate Action 100+ is an investor initiative launched in 2017 to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change.

|→ [CLIMATEACTION100.ORG](https://www.climateaction100.org)

## The Clinton Foundation



The Clinton Foundation is a non-profit organization founded in 1997. Through its Climate Initiative, the Clinton Foundation collaborates with world-class partners to increase the resiliency of communities facing climate change, and create replicable and sustainable models for others to follow.

|→ [CLINTONFOUNDATION.ORG](https://www.clintonfoundation.org)

## Solar Head of State



### SOLAR HEAD OF STATE

Solar Head of State (SHOS) is a non-profit organization formed by a worldwide team of grassroots activists aligned with solar energy social entrepreneurs from around the globe. SHOS works towards increasing global awareness of solar energy’s potential and inspire mass adoption with innovative efforts to reduce greenhouse gas emissions.

|→ [SOLARHEADOFSTATE.ORG](https://www.solarheadofstate.org)

