



MPC Capital



MPC RENEWABLE ENERGIES GMBH

| → 2019

ESG REPORT



ENVIRONMENTAL
RESPONSIBILITY



SOCIAL
RESPONSIBILITY



CORPORATE
GOVERNANCE

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For more Information:
www.mpc-capital.com

Board's Statement

“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.

This report outlines our approach at responsible investing in our segment renewable energy, showing our key measures to ensure adherence to our guidelines. This approach is underlined by our ESG activities, showing exemplary on how we incorporate ESG principles.



IGNACE VAN MEENEN

MPC Capital AG
Executive Management Board Member
Corporate Head of ESG

Environment and Social Governance: Activities and Initiatives 2019

PARADISE PARK

Highlights of Paradise Park in Environmental, Social and Governance

- + There were two Community Liaison Officers at site who hold biweekly meetings and ensure daily compliance with IFC Performance Standards. The Parish Council signed a chart to commit on full compliance with such Standards.
- + At the end of December, Park reached 4,040 hours or 193 days without any health or safety incident since the since the Commercial Operations Date, in June 2019.
- + In terms of community engagement, a donation to the hospital of Savannah La Mar was handed over during the inauguration ceremony of the plant on 02 October. This contribution will finance the purchase of a Picture Achieving and Communication System (PACS). Such system will contribute to improve the efficiency of the hospital, reduce processing and improve x-ray analysis quality.
- + The project peaked at 303 employees during March 2019 and according to the last construction period report in April 2019, it achieved 295,680 hours without serious accidents.
- + The board of directors of EREC held their monthly meeting on 12 December to assess the review of the operational performance of the plant.
- + There was a combined responsibility between Eight Rivers Energy Company (Project company) and EIFFAGE (EPC Contractor) to monitor engagement and provide grievance modalities to the communities.



Activities and Initiatives: Jamaica



DONATION FOR THE HOSPITAL OF SAVANNAH LA MAR

The Mayor of Westmoreland Parish, in Jamaica, receiving the donation to purchase a Picture Archiving and Communication System (PACS) to improve the efficiency of the hospital and improve x-ray analysis quality for the hospital of Savannah La Mar.



PROJECT SHINE

Community engagement initiative sponsored by the Clinton Global Initiative for the Westmoreland Parish. Community educational and awareness programs regarding renewables and energy conservation were conducted in community centers and schools.



TILAWIND

Highlights of Tilawind in Environmental, Social and Governance

- + The visits by the environmental inspector were performed during the year and, the wind farm was found to be in compliance with the EIA (Environmental Impact Assessment) requirements.
- + As of December 2019, Tilawind has operated 1,767 days (nearly five years) with no serious health and safety incidents recorded onsite.
- + 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.
- + Food for the Christmas celebrations organised by the Municipality of Tilarán.

Activities and Initiatives: Costa Rica



ESCUELA EL AGUACATE

First playing moments in the new playground donated to the Escuela El Aguacate.
Student of Escuela El Aguacate saying some words during the inauguration of the playground.



SAN ANTONIO DE PADUA

Donation of food for festivities of San Antonio de Padua.



INFOREST

Monthly visits of environmental regent “Inforest” to verify the compliance of environmental requirement in the park.

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.”

Our aim is to stimulate positive and sustainable environmental and social outcomes by proliferating the region with cleaner and more affordable electricity generated by renewable energies. In our current investments in the region, we find that the involvement of the community are paramount in order to make the impact of these assets truly sustainable. Involving and engaging the communities as early as possible in the asset lifecycle is a strategic step that we take as early as possible with each asset.

Looking at Paradise Park solar plant in Jamaica and Tilawind wind farm in Costa Rica we took the opportunity to implement lasting programs that are critical to educating and involving the communities about benefits of each asset. This is why in Jamaica for example we have a cooperation with the Clinton Foundation and US Agency for International Development to educate communities on the principles and benefits of renewable energy as well as creating exposure around clean energy jobs and illustrating the career paths available in the clean energy industry.

In the case of the Tilawind asset which was an operating asset at the time of acquisition, we continued the initiatives which were already in place, as well as implement other ways of supporting the community. It is important to note that most of the employees of the asset is from the main neighboring town and the rest are from the province.

Donations were made in the form of construction materials to support infrastructure projects that were taking place for the playground of the “Escuela Arenal”, the “Colegio Tecnico Profesional Tronadora” vocational school.

Having met with the mayor of Tilaran to understand how we can support the community initiatives, it was expressed that getting young mothers to work was a priority. This would be possible if they could find sustainable, affordable and reliable transportation for their children to go to and from school. After months meetings and discussions, we are pleased to say that we have agreed to donate a bus to the municipality of Tilaran. The bus will be used to transport 70 school-aged children and will allow their mothers to get and keep meaningful employment.

True sustainability is far more than just putting renewable energy plants in communities around the region. It involves integrating ourselves into the communities by becoming concerned with the long term sustainability of the impact by the assets in the region.



DAVID DELAIRE
MPC Renewable Energies GmbH
Managing Director
ESG Director

Environmental, social and governance (ESG) factor

MPC Renewable Energies recognizes the importance of Environmental, Social and Governance (ESG) factors in making investment decisions as well as in the management of renewable energy assets. It takes into consideration that a proactive approach to ESG matters is vital for the protection and enhancement of the value of investments in the long term.

In August and on behalf of its Caribbean Clean Energy Fund, MPC Renewable Energies GmbH (Investment Advisor)

commissioned an international consultant to assist with the drafting of its Environmental and Social Management System (ESMS). The system (based on International Financial Corporation (IFC) standards) will be used to implement the Investment Company’s Environmental, Social and Governance (ESG) framework at the Investment Company, portfolio and asset levels. The ESMS was completed in December 2019 and the Investment Advisor’s team will be trained in Q1 of 2020.

Environment and social management system

The core purpose of the ESMS is anchor the Fund into ESG by Improving its environmental and social performance of all the Fund’s operations. This will occur in two phases:

- + For the pre-investment and investment phases, this document provides guidelines to evaluate the environmental and social risks and benefits; and seeks to ensure compliance with ESG policies.
- + Each of the underlying projects will use this ESMS as a guide to implement its own ESMS, during all project cycle and setting measurable indicators.
- + They will be communicated to all stakeholders that are involved in the acquisition, realization, operations and management of the assets that MPC Renewable Energies Manages.
- + In addition, the ESMS will also be communicated to other stakeholders, such as shareholders, affected communities, and governments in countries where the Investment Company operates.



Indicators of ESMS

ESG During Asset Full Life Cycle



Origination

Construction

Asset Operations

Tools

- + Environmental and Social Due Diligence
- + Impact assessment model to estimate the lifetime environmental footprint
- + Business Partner check

- + Environmental and Social Assessment Report
- + Environmental and Social Management Plan
- + Community Engagement Plan including proper grievance mechanisms
- + Health, Safety and Environmental audits and periodic reporting

- + Health, Safety and Environmental mandatory checks
- + Emergency plan, periodic trainings to the operators and plant visitors
- + Yearly Fauna Impact study
- + Reporting and monitoring of the yearly corporate social responsibility budget

Dedicated Resources

- + ESG Director
- + Origination Associate

- + ESG Director
- + Asset Manager

- ESG Director
- Asset Manager

External Support

- + Independent Technical Advisor

- + Construction Manager

- + Asset Manager



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 2019	Comment
Environmental operations	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
Environmental oversight	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	
Climate risk mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	USD 10.65 million	For 2019, USD 10.65 million was invested in renewable energy assets

MPC Renewable Energies is committed to take effective actions to mitigate climate change. In 2019, on behalf of CCEF, it has invested the IPO net proceeds of USD 10,650,000.00 for renewable energy infrastructure projects. The capital was invested into the Investment Company which subsequently holds ownerships in the two assets:

Paradise Park solar park in Jamaica (51.5 MWp) and Tilawind wind farm in Costa Rica (21 MW). 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
- + Workplace health and safety
- + Diversity
- + Relations with local communities, amongst others

Metric	Calculation	Result for year 2019	Comment
Gender diversity	Percentage: Senior- and executive-level positions held by men and women	83.4%/ 16.6%	There are six director and above level members in Renewable Energies. Five are male and one is female.
Non-discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes	Included in MPC Code of Conduct
Child & forced labor	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	
Human rights	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 deals with the relationship between a Fund’s management, its board, shareholders and other stakeholders. Factors include board structure, diversity, size, skills and independence, executive pay, shareholder rights, disclosure of information, business ethics, bribery and corruption, internal controls and risk management among others.

The Managing Board Member of Fund, as of December 31st 2019 is composed of four independent directors: Georgia Prinsloo, James Whittaker, and Fernando Zúñiga. The Board has appointed a remuneration and an audit committee to evaluate management performance in light of the Company’s goals and objectives and oversee the integrity of the company’s financial statements and compliance with legal and regulatory requirements.



Metric	Calculation	Result for year 2019	Comment
Cultural board diversity	Percentage: Total board seats occupied by men and women	66.7% / 33.7%	The board seats are occupied by two men and one woman.
	Percentage: Committee chairs occupied by men and women	33.3% / 33.3%/33.3%	While there are no leadership role on the board, the cultural diversity is very evident. There is one Caucasian, one Latino and one African/African descendent.
Board independence	Percentage: Total board seats occupied by independents	66.7%	
Incentivized pay	Are executives formally incentivized to perform on sustainability? Yes/No	No	

Metric	Calculation	Result for year 2019	Comment
Ethics & anti-corruption	Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes	Included in MPC Code of Conduct
Data privacy	Does your company follow a Data Privacy policy? Yes/No	Yes	Included in MPC Code of Conduct
Sustainability reporting	Does your company publish a sustainability report? Yes/No	No	
	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.
Disclosure practices	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	Comprised in the Investment Company's Environmental and Social Management System
	Does your company set targets and report progress on the UN SDGs? Yes/No	No	
External assurance	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	23.06.2019	5	Year
Green power generation	Monthly	31.12.2019	125,060.00	MWh
Environmental inspections: inspections	Semi-annually	31.12.2019	8	Number of inspections
Environmental inspections: incidents / days without incidents	Annually	31.12.2019	1,960.00	Number of incidents



Emission avoidance per month



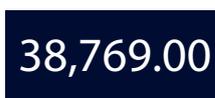
Replaced trees per year



Homes powered with green generation

Social

	Measurement period	Date	Amount	Description
Number of jobs created directly on site	Annual	31.12.2019	314	Number of jobs
Frequency of accidents on site	Monthly	31.12.2019	0	Accidents on site per 100 hours worked
Health and safety audits conducted	Annual	31.12.2019	6	Number of audits

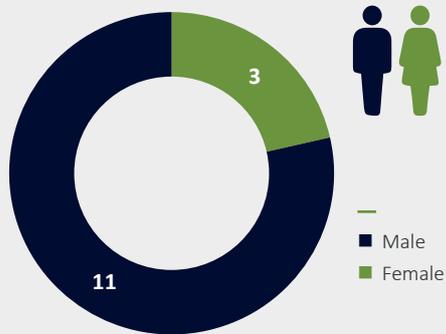


USD Dollars invested in communities or community activities in 2019

Governance

	Measurement period	Date	Amount	Description
Business Partner Checks (BPC)	Annual	31.12.2019	45	Total
Board of directors: meetings	Quarterly	31.12.2019	12	Number of meetings
Advisory committee: meetings	Quarterly	31.12.2019	4	Number of meetings

Board of directors: total members 14

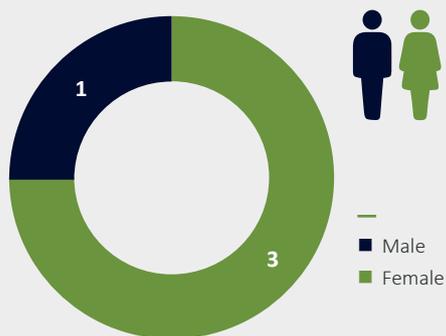


Ethnicity

- 4 African/African descendent
- 1 Arabic
- 1 Asian
- 4 Caucasian
- 4 Latino

[31.12.2019]

Advisory committee: total members 4



Ethnicity

- 3 African/African descendent
- 1 Caucasian

[31.12.2019]

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 ac-

tivities. 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)

