



PUBLIC RI REPORT

2021 PILOT

NextEnergy Capital Limited

Generated 2022-10-17

About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment?
- What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?

(1) NextEnergy Capital (NEC) is a mission-driven Investment Manager that focuses exclusively on renewable energy investment and responsible investment is at the core of NextEnergy Capital's (NEC's) business. NEC's Mission is to generate a more sustainable future by leading the transition to clean energy, however we recognise that our role in society goes beyond increasing access to clean energy. To this extent, NEC has developed a Sustainability Framework, based on the three pillars of climate change, biodiversity, and human rights and aligned with the UN Sustainable Development Goals (SDGs), which we have adopted as the underlying framework through which we identify, manage and measure our impacts on both the environment and on society.

(2) The core of NEC's Sustainability Framework is the Sustainable Investment Policy that defines the environmental, social and governance (ESG) principles, integration and reporting commitments for our investment activities. Our approach to responsible investment is based on integration, whereby the SI Policy defines excluded activities, ESG factors considered throughout the investment process, reporting and stakeholder engagement. The Policy applies to our listed and private equity funds, is publicly available since 2017, it is reviewed regularly by the head of ESG and signed by the Company's CEO. The ESG team works very closely with the investment teams of each fund, ensuring that integration occurs at every stage of the investment process. The head of ESG reports directly to the CEO and sits on each fund's investment committee. She is responsible for the implementation of the policy, for reporting at group and fund level, and for stakeholder engagement.

(3) NextEnergy Capital only invests in one asset class – renewable energy infrastructure – so this question is not applicable.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policy makers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

Our sole investments are in solar PV infrastructure, and the responsible investment issue we consider most material to our organisation is climate change. However, we consider climate change together with other interconnected societal challenges, including valuing the world's natural and human capital. NEC has a Climate Change Position Statement that is publicly available and signed by the CEO, and it outlines our commitments and implementation practices. NEC supports the UK Government net zero ambitions, is an active member of the Institutional Investor Group on Climate Change (IIGCC) and an official supporter of the Task Force on Climate related Financial Disclosure (TCFD). NEC is committed not only to positively contribute to the reduction of GHG emissions through our investments, but also to identify, manage and report on any potential climate-related risks to which our investments may be exposed. NEC currently reports the annual emission reductions achieved at the asset and portfolio level: this information is publicly available on our SDG Report and is made available to investors on a fund-by-fund basis. We have appointed the Green Investment Group to measure and validate these data, as they apply a very robust and transparent methodology that provides us the confidence for data accuracy and consistency. They have been awarded the 2020 Environmental Finance ESG Data Initiative.

During the reporting year, NEC has improved the ESG analysis expanding the supply chain due diligence with ad hoc questionnaires for modules, inverters and batteries suppliers; we started collaborative engagement with IIGCC on the Paris Aligned Investment Initiative Infrastructure working group; one of its funds, NPIII, has received the international award of "Renewables Fund of the Year" in Environmental Finances' Sustainable Investment Awards 2020; in addition several NEC employees were engaged in stewardship activities that have been facilitated by Solar Energy UK. The activities NEC has participated in include:

- Contributing case study evidence to their report on the natural capital value of solar farms
- Participating on joint panel sessions on natural capital
- Engaging with the Department for Business, Energy and Industrial Strategy (BEIS) on the technical interpretation of the Nationally Significant Infrastructure Projects (NSIP) threshold
- Working with Ofgem around the Renewables Obligation (RO) audits programme

- Partaking in several consultations on the Contracts for Difference scheme
- Leading negotiations with the Valuation Office Agency (VOA) on the revised ratings list for solar, network charging and cost modelling

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Over the next 2 years, NEC will focus on promoting its transparency and reporting and continuing to strengthen its supply chain risk management. In March 2021, NEC Group has disclosed its ESG policy and procedures in line with the EU regulation across the Group and for all its funds. We are committed to measure and report on specific KPIs as recommended by the regulation. With regard to climate change, in line with net zero ambitions, the ESG team is working with GIG to include carbon footprint scope 1, 2 and 3 emission estimates at fund's portfolio level.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name Michael Bonte-Friedheim

Position CEO

Organisation's name NextEnergy Capital

© This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by NextEnergy Capital Limited in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of NextEnergy Capital Limited's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

☐ (O) Fund management

☐ (1) This is our only (or primary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

☐ (A) Yes

☒ (B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries	US\$ 2,300,000,000.00
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(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission	US\$ 0.00
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(C) AUM subject to execution, advisory, custody, or research advisory only	US\$ 0.00
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Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM	
(A) Listed equity – internal	0.0%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	0.0%
(D) Fixed income – external	0.0%
(E) Private equity – internal	0.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	100.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%

(P) Farmland – external	0.0%
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(Q) Other – internal, please specify:	0.0%
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(R) Other – external, please specify:	0.0%
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(S) Off-balance sheet – internal	0.0%
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(T) Off-balance sheet – external	0.0%
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 INF	CORE	OO 5, OO 5.1	N/A	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your infrastructure assets.

(A) Internal allocation

(1) Data infrastructure	0.0%
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(2) Energy and water resources	0.0%
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(3) Environmental services	0.0%
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(4) Network utilities	0.0%
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(5) Power generation (excl. renewables)	0.0%
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(6) Renewable power	100.0%
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(7) Social infrastructure	0.0%
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(8) Transport	0.0%
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(9) Other, please specify:	0.0%
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Stewardship

Private equity, real estate and infrastructure

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 ALT	CORE	OO 5	Multiple, see guidance	PUBLIC	Private equity, real estate and infrastructure	2

Does your organisation conduct stewardship activities in the following asset classes?

(3) Infrastructure

(A) Through service providers ☒

(C) Through internal staff ☐

(D) Collaboratively ☒

(E) We did not conduct stewardship activities for this asset class ☐

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

(1) ESG incorporated into investment decisions

(2) ESG not incorporated into investment decisions

(L) Infrastructure



Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy



(H) Infrastructure



ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

Percentage

(G) Infrastructure

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

Coverage of ESG/RI certification or label:

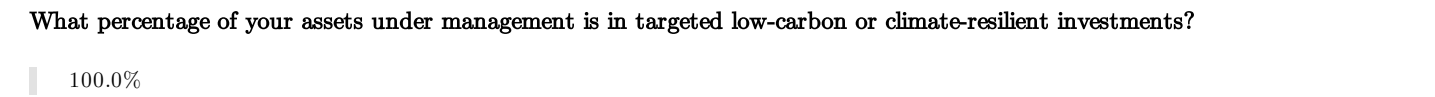
(E) Infrastructure

57.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL



Other asset breakdowns

Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

(8) Infrastructure	
(A) Developed	95.0%
(B) Emerging	5.0%
(C) Frontier	0.0%
(D) Other	0.0%

Infrastructure: Fund strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 27	CORE	OO 5	N/A	PUBLIC	Infrastructure: Fund strategy	GENERAL

What is the percentage breakdown of your organisation's infrastructure investments by fund type?

(A) Open-ended (5) >75%

(B) Closed-ended (1) 0%

Infrastructure: Nature of ownership

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 28	CORE	OO 5	N/A	PUBLIC	Infrastructure: Nature of ownership	GENERAL

What is the percentage breakdown of your organisation's infrastructure assets by investment vehicle?

(A) Direct investment (1) 0%

(B) Limited liability company or partnership (2) 1–10%

(C) Joint venture (JV) with a government entity (1) 0%

(D) Joint venture (JV) with a private entity (1) 0%

(E) Joint venture (JV) with a public entity (1) 0%

(F) Separate account (1) 0%

(G) Special purpose vehicle (5) >75%

Infrastructure: Ownership level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 29	CORE	OO 5	N/A	PUBLIC	Infrastructure: Ownership level	GENERAL

What is the percentage breakdown of your organisation's infrastructure assets by level of ownership?

(A) A majority stake (50% and above) (5) >75%

(B) A significant minority stake (between 10–50%) (1) 0%

(C) A limited minority stake (less than 10%) (1) 0%

Infrastructure: Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 30	CORE	OO 5	N/A	PUBLIC	Infrastructure: Strategy	GENERAL

What is the percentage breakdown of your organisation's internally managed infrastructure assets by investment strategy?

Percentage of total internally managed infrastructure AUM

(A) Core 0.0%

(B) Value added 100.0%

(C) Opportunistic 0.0%

Infrastructure: Type of asset

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 31	CORE	OO 5	INF 1	PUBLIC	Infrastructure: Type of asset	GENERAL

What is the percentage breakdown of your infrastructure assets by strategy?

Percentage of total internally managed infrastructure AUM

(A) Standing investments/operating assets	90.0%
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(B) New construction	10.0%
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(C) Major renovation	0.0%
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Infrastructure: Management type

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 5	Multiple, see guidance	PUBLIC	Infrastructure: Management type	GENERAL

What is the percentage breakdown of your direct infrastructure assets based on who manages these assets?

(A) Directly by our organisation	(5) >75%
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(B) By third party infrastructure operators that we appoint	(1) 0%
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(C) By other investors or their third party operators	(1) 0%
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(D) By public or government entities or their third party operators	(1) 0%
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Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- ☒ (A) Yes, we do have a policy covering our approach to responsible investment
- ☐ (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☐ (E) Approach to stewardship
- ☒ (F) Approach to sustainability outcomes
- ☒ (G) Approach to exclusions
- ☒ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- ☐ (I) Definition of responsible investment and how it relates to our fiduciary duty
- ☒ (J) Definition of responsible investment and how it relates to our investment objectives
- ☒ (K) Responsible investment governance structure

- ☒ (L) Internal reporting and verification related to responsible investment
- ☒ (M) External reporting related to responsible investment
- ☒ (N) Managing conflicts of interest related to responsible investment
- ☐ (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

We have a dedicated ESG team that works alongside the investment teams of each fund, and ensures that the screening, due diligence process, delivery of potential ESG actions plans occurs during the preacquisition stage as part of the broader due diligence during the exclusivity phase. In addition, the Head of ESG is a member of each fund's Investment Committee, and she ensures that ESG aspects are discussed and agreed during the decision-making process. During the operational phase the ESG team has regular meetings with the portfolio managers and asset managers to ensure handover and monitoring is implemented.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- ☒ (A) Overall approach to responsible investment. Add link(s):
https://cdn.next1.nextenergycapital.com/next/2021/04/NextEnergy-NEC_Sustainable_Investment_policy.pdf
- ☒ (B) Guidelines on environmental factors. Add link(s):
https://cdn.next1.nextenergycapital.com/next/2021/04/NEC_ClimateChange_Statement.pdf
- ☒ (C) Guidelines on social factors. Add link(s):
https://cdn.next1.nextenergycapital.com/next/2021/04/NEC_HumanRights_Statement.pdf
- ☒ (D) Guidelines on governance factors. Add link(s):
<https://cdn.next1.nextenergycapital.com/next/2021/03/NextEnergy-Capital-ESG-Disclosures-Final-09.03.20211.pdf>
- ☒ (F) Approach to sustainability outcomes. Add link(s):
https://cdn.next1.nextenergycapital.com/next/2021/01/NextEnergy_2020_SDG_Report.pdf
- ☒ (G) Approach to exclusions. Add link(s):
https://cdn.next1.nextenergycapital.com/next/2021/04/NextEnergy-NEC_Sustainable_Investment_policy.pdf

- ☒ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):
<https://cdn.next1.nextenergycapital.com/next/2021/03/NextEnergy-Capital-ESG-Disclosures-Final-09.03.20211.pdf>
- ☒ (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):
https://cdn.next1.nextenergycapital.com/next/2021/04/NextEnergy-NEC_Sustainable_Investment_policy.pdf
- ☒ (K) Responsible investment governance structure. Add link(s):
<https://www.nextenergycapital.com/company/team/>
- ☒ (L) Internal reporting and verification related to responsible investment. Add link(s):
<https://www.nextenergycapital.com/sustainability/transparency-and-reporting/group-level-reporting/sdg-reports/>
- ☒ (M) External reporting related to responsible investment. Add link(s):
<https://cdn.next1.nextenergycapital.com/next/2020/11/2020-Public-Transparency-Report-for-NextEnergy-Capital.pdf>
- ☒ (N) Managing conflicts of interest related to responsible investment. Add link(s):
<https://cdn.next1.nextenergycapital.com/next/2021/03/NextEnergy-Capital-ESG-Disclosures-Final-09.03.20211.pdf>
- ☐ (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- ☐ (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- ☐ (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- ☒ (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

AUM Coverage:

(E) Infrastructure 100.0%

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- ☐ (A) Board and/or trustees
- ☒ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- ☒ (C) Investment committee
- ☐ (D) Other chief-level staff, please specify:
- ☒ (E) Head of department, please specify department:

☐ Head of ESG

☐ (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

☐ (A) Board and/or trustees

☒ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))

☒ (C) Investment committee

☐ (D) Other chief-level staff [as specified]

☒ (E) Head of department [as specified]

☒ (F) Portfolio managers

☒ (G) Investment analysts

☒ (H) Dedicated responsible investment staff

☒ (I) Investor relations

☐ (J) External managers or service providers

☐ (K) Other role, please specify:

☐ (L) Other role, please specify:

☐ (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(2) Chief-level staff	(3) Investment committee	(5) Head of department [as specified]	(6) Portfolio managers
(A) Objective for ESG incorporation in investment activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	(7) Investment analysts	(8) Dedicated responsible investment staff	(9) Investor relations staff
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))

(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
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(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
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(D) Objective for ESG performance	<input checked="" type="checkbox"/>
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(3) Investment committee

(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
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(5) Head of department

(A) Objective for ESG incorporation in investment activities ☒

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

(D) Objective for ESG performance ☒

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities ☒

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

(7) Investment analysts

(A) Objective for ESG incorporation in investment activities ☒

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

(8) Dedicated responsible investment staff

(A) Objective for ESG incorporation in investment activities ☒

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

(D) Objective for ESG performance ☒

(9) Investor relations

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

(G) We have not linked any RI objectives to variable compensation ☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

- ☐ (A) Quarterly or more frequently
- ☒ (B) Bi-annually
- ☐ (C) Annually
- ☐ (D) Less frequently than annually
- ☐ (E) On an ad hoc basis
- ☐ (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- ☐ (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- ☐ (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- ☐ (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- ☒ (D) Not applicable, we do not have a strategic asset allocation process

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

● (A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

https://cdn.next1.nextenergycapital.com/next/2021/04/NEC_ClimateChange_Statement.pdf

○ (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

● (A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

https://cdn.next1.nextenergycapital.com/next/2021/04/NEC_ClimateChange_Statement.pdf

○ (B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

☒ (A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

NEC's Head of ESG sits on each funds' Investment Committee and reports directly to the CEO. Climate Change is one of the three pillars of the Group sustainability framework and we ensure that climate related risks and opportunities are overseen by the senior managers of the company, from the head of ESG, the CEO, and the Group Leadership Team (GLT). The head of ESG meets regularly with GLT to continue to raise awareness on the broader net zero aspirations and alignment with the Paris agreement, discuss how to measure and report on the group's contribution to climate mitigation. The Head of ESG is a member of each funds' Investment Committee which consider climate related risks associated with solar PV assets as one of the ESG factors impacting investment process.

☒ (B) By articulating internal/external roles and responsibilities related to climate. Specify:

NextEnergy Capital has a dedicated ESG Team. In 2017, NEC created the role of ESG Senior Advisor for the Group. Mrs. Giulia Guidi was appointed to this role in August 2017. Mrs. Giulia Guidi has more than 20 years' experience in the ESG field for the financial sector, including 10 years as an Executive Director in Global Risk Management at J.P. Morgan Chase, where she was responsible for the implementation of the ESG Risk Policy and performed ESG due diligence on over 1000 transactions. She is well-recognized for acting as a member of the Advisory Group of the OECD Responsible Business Conduct, and as a member of the Steering Committee of the Cross-Sector Biodiversity Initiative. Mrs. Giulia Guidi was appointed Head of ESG for NEC in October 2019. The role reports to the CEO, Michael Bonte-Friedheim, and is responsible for overseeing NEC's commitment to implementing the strategy set out in our Sustainability Framework, including our Sustainable Investment Policy, stakeholder engagement, internal training and managing the ESG Team. Responsibilities of the role also include advising the NextPower III Investment Committee on the ESG risks and opportunities associated with each acquisition, alongside taking responsibility for NEC's sustainability engagement and reporting, including a UNPRI Annual Report, an NESF ESG Annual Report and SDG impact reporting.

☐ (C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

☒ (D) By incorporating climate change into investment beliefs and policies. Specify:

NEC is committed to its sustainability framework, and to the implementation of NEC's Sustainable Investment Policy, which form the basis of the company's investments beliefs. The sustainability framework is based on the three pillars of climate change, biodiversity and human rights, and it refers to the UN Sustainable Development Goals as the underlying framework to identify, manage and report on ESG matters. As also recognised in the Sustainable Investment Policy, NEC is aware that while investment in renewable energy makes a positive contribution to mitigate climate change, it is equally important that it ensures that it avoids, to the extent possible, any significant adverse impacts on other environmental, social and governance factors.

In alignment with the EU Taxonomy Regulation, NEC's investment decision-making process seeks to ensure that any investments not only contribute to environmental objectives, but also cause no significant harm to other environmental objectives and are conducted in accordance with minimum safeguards on matter such as human rights and labour conventions. The other environmental objectives include climate change adaption, sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

In addition to the SIP, the ESG-related policies published by NEC includes our Climate Change Position Statement and Human Rights Position Statement, with plans for the Supply Chain Guidelines to be released in the coming months.

☒ (E) By monitoring progress on climate-related metrics and targets. Specify:

NEC keeps track and reports on specific ESG KPIs based on a number of SDGs and respective targets selected as part of the NEC sustainability framework. These KPIs have been identified through a materiality mapping exercise undertaken with the support of an external consultant, the Green Investment Group. We report our progress on these selected KPIs in our SDG Report, available on our website under “reporting and transparency”. NEC is in the process of expanding these KPIs to include those required under the EU Sustainable Finance Disclosure Regulation (SFDR) draft level 2 Regulatory Technical Standards of the European Supervisory Authorities on the content, methodologies and presentation of disclosures under the EU Regulation on sustainability-related disclosures in the financial services sector (RTS).

GIG is also helping us on reporting our key emission-related data at the asset-level across our new funds, in particular NPIII and NPUK ESG. These data are reported on the Green Impact Reports, also available NEC’s website under “transparency and reporting”. Lifecycle greenhouse gas emissions, including scope 1, 2 and 3 will also be calculated GIG in 2021 to support us on our net-zero ambition. Additionally, we also plan to embark on measuring our corporate footprint with the support of an external consultant.

☒ (F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:

In line with NEC’s commitments as an official supported of the TCFD, physical climate change risks and transitional climate change opportunities are considered as environmental criteria in the ESG due diligence. Prior to any acquisition under the NPIII Fund, for example, NEC’s ESG Team seeks confirmation of whether a climate change risk assessment has been undertaken by the Seller/developer to ascertain whether i) the asset’s operations could be at risk from physical changes brought about by climate change (including increased flooding, drought or other severe weather events) and ii) the asset could lead to increased climate risks for others or hamper adaptation elsewhere.

Where there is evidence of environmental risks which could be exacerbated by climate change (e.g. flooding or fire hazards), a climate change risk assessment is commissioned by NEC post-acquisition. For example, such an assessment has been commissioned for the recent 11.6MWp project in Portugal where both the ESG and Technical due diligences highlighted that the asset is located in an area at high risk of forest fires. In addition, where necessary, NEC engages with Sellers and EPC/O&M Contractors to address physical risks. For example, in relation to water source and scarcity concerns, we recently included Condition Precedents in the Shared Purchase Agreement for two transactions for ground water withdrawal permissions to be obtained because, through the use of the WRI Aqueduct tool, we determined that the areas on which the plants were located were subject to potential water stress.

☐ (G) Other measures to exercise oversight, please specify:

☐ (H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

☒ (A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:

During the pre-investment phase, NEC engages in the ESG screening and ESG due-diligence process to identify potential risks to the project and to NEC, including climate related risk; where sustainability risks and impacts are identified, NEC proposes appropriate mitigation measures, which seek to mitigate such risks through the adoption of an Action Plan; implementation of such measures is, or by including supported by contractual obligation such as conditions precedent and/or representations and warranties in the binding offer for the relevant investment. In the event that ‘No-Go’ impacts are identified during the initial screening process, these proposed investments are escalated to the investment committee for the relevant fund and it is recommended to that investment committee that NEC does not invest. Further to the ESG screening, additional due-diligence is conducted by the ESG Team and, where relevant, by an ESG consultant. The ESG consultant’s scope of work will be determined by the stage of the project and the risks identified during the initial screening process. The relevant consultant will prepare a report outlining the key risks, including climate related risks such as exposure to flooding, severe weather, wildfire, and presenting any Action Plan to mitigate any risks and fill in any gaps between the project, its contractors, and the standards which NEC seeks to uphold. The NEC ESG Team will subsequently prepare an ESG memo, which sets out the relevant risks and opportunities identified and the recommendations for mitigating such risks. Some of these recommendations have included the commissioning of climate change risk assessment based on TCFD recommendations. The ESGhis memo accompanies the investment proposal to be considered by the relevant investment committee. The memo may recommend that the investment committee may invest, does not invest, or suggest conditions for investment, such as the implementation of the relevant Action Plan or additional assessments, to bring the relevant investment in line with NEC’s standards.

☒ (B) Management implements the agreed-upon risk management measures. Specify:

Depending on the stage of the project, NEC (either through the NEC ESG Team or through an external ESG consultant) will review any environmental and social impact assessments that are required by local authorities, as well as the progress of any environmental and social management plans and the implementation of any steps proposed by such plan. In instances where such assessments have not been carried out (such as where the national regulations do not require it), NEC commissions appropriate assessments to identify the relevant risks in accordance with the Sustainable Investment Policy, the Climate Change Position Statement and applicable national or international standards (such as the Equator Principles and the IFC Performance Standards). Depending on the location of the site, NEC may additionally carry out a climate change risk assessment, through external consultants. The ESG team then handover any Action Plan or additional assessment (such as the Climate Change Risk Assessment) to the asset manager who will report on progress of such plans and assessment.

☒ (C) Management monitors and reports on climate-related risks and opportunities. Specify:

Currently, NEC reports climate-related opportunities more than risks because risks associated with the solar PV assets are not always material. NEC reports annually on its portfolio's contribution to specific ESG KPIs based on material UN SDGs, as previously mentioned. At the asset level, the ESG Team works alongside the portfolio manager to implement any Action Plan that was agreed to as part of the approval process for a given investment; an ESG consultant or the O&M contractor (where the O&M Contractor has internal ESG capabilities and resources) will be responsible for the implementation of any given Action Plan. Action Plans vary from asset to asset and can include biodiversity, climate change, water management, operational health and safety, grievance and community engagement matters amongst others. The impacts considered post-acquisition are therefore two-fold: those monitored across the whole portfolio through various ESG KPIs; and the specific impacts set out in a given Action Plan, as identified during the ESG assessment pre-acquisition. The monitoring and reporting on the progress of the implementation of any Action Plan and on any applicable ESG KPIs is managed by the portfolio manager and the asset manager.

☒ (D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:

As explained, NEC has a dedicated ESG Team. In 2017, NEC created the role of ESG Senior Advisor for the Group, and in 2019 appointed an ESG Analyst to form the ESG team together with the Head of ESG. NEC monitors and report its positive contribution to climate change mitigation through Green Impact Reports validated by the Macquarie Green Investment Group (GIG). NEC reports on its performance against identified UN SDGs annually. At a fund level, NEC is committed to reporting on the emission reductions associated with NEC's funds' clean energy generation, using a proven and transparent methodology. Each investment made under NPIII is subject to a 'Green Impact Report' currently prepared by GIG, which includes a measure of the investment's positive contribution to a reduction in greenhouse gas emissions, and an indication of NEC's direct and indirect performance against other applicable UN SDGs. Such report is issued on the NPIII portfolio twice a year. This reporting sits alongside NEC's annual commissioning of a report on the whole group's performance against the selected UN SDGs which are considered material to the NEC sustainability framework. To this extent, NEC will continue to work with GIG in order to independently measure and verify this information. An example of such green impact reporting is publicly available on NEC's website. In addition, we are currently in the process of engaging with carbon accounting consultants as we are seeking to measure our scope 1, 2, and 3 in order to better monitor our impact and associated climate risks and opportunities.

☐ (E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:

☐ (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

☒ (A) Specific financial risks in different asset classes. Specify:

We only invest in climate mitigation, i.e. solar PV.

☐ (B) Specific sectors and/or assets that are at risk of being stranded. Specify:

☒ (C) Assets with exposure to direct physical climate risk. Specify:

Yes, this is what we explore and seek to manage during our due diligence process.

☐ (D) Assets with exposure to indirect physical climate risk. Specify:

☐ (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

☒ (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:

We only invest in assets that are contributing to climate change mitigation.

☐ (G) Other climate-related risks and opportunities identified. Specify:

☐ (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	(5) 11–20 years	(6) 21–30 years	(7) >30 years
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

- ☐ (A) Specific financial risks in different asset classes. Specify:
- ☐ (B) Specific sectors and/or assets that are at risk of being stranded. Specify:
- ☐ (C) Assets with exposure to direct physical climate risk. Specify:
- ☐ (D) Assets with exposure to indirect physical climate risk. Specify:
- ☐ (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- ☐ (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- ☐ (G) Other climate-related risks and opportunities identified, please specify:
- ☒ (H) **We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon**

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- ☐ (A) An orderly transition to a 2°C or lower scenario
- ☐ (B) An abrupt transition consistent with the Inevitable Policy Response
- ☐ (C) A failure to transition, based on a 4°C or higher scenario
- ☐ (D) Other climate scenario, specify:
- ☒ (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

Which risk management processes do you have in place to identify and assess climate-related risks?

- ☐ (A) Internal carbon pricing. Describe:
- ☐ (B) Hot spot analysis. Describe:
- ☐ (C) Sensitivity analysis. Describe:
- ☐ (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
- ☒ (E) TCFD reporting requirements on companies. Describe:

For us, a 'company' is an asset. We ask questions around both physical and transitional risk as this is part of our ESG due diligence process.
- ☐ (F) Other risk management processes in place, please describe:
- ☐ (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

In which investment processes do you track and manage climate-related risks?

☒ (A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:

In our case, 'investee entities' are the asset(s) in which we (the relevant fund) invest. In our investment process we manage the ESG due diligence and, if deemed necessary, commission a climate change risk assessment in order to measure, assess and mitigate the climate-related risks for that particular asset. During the reporting year we have commissioned 4 Climate Change Risk Assessment.

☐ (E) In the asset class benchmark selection process. Describe:

☐ (F) In our financial analysis process. Describe:

☐ (G) Other investment process(es). Describe:

☐ (H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?

☒ (A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

Climate risks are identified by the ESG Team and reported to the risk committee.

☐ (B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk). Describe:

☒ (C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis. Describe:

Our materiality assessment is determined through a stakeholder engagement process that ensures that we follow best practices and take into account factors that have an impact beyond our own company: we discuss our approach with a set of selected stakeholders, including the UNPRI, IIGCC, the Solar Energy UK Association, the Business and Human Rights Resource Centre, and other industry bodies, consultants, NGOs and, where applicable, with our investors. Examples of material risks considered: land acquisition and permits; water sourcing; and, community and neighbourhood relationships (traffic, noise etc). Examples of material opportunities considered: local job creation; contribution to generation of clean energy; and, contribution to biodiversity improvements of the area surrounding the plants (i.e. buffer zone).

☐ (D) Executive remuneration is linked to climate-related KPIs. Describe:

☒ (E) Management remuneration is linked to climate-related KPIs. Describe:

Yes, the more we invest in assets and increase our annual renewable energy generation, the more we contribute to reducing carbon emissions at scale.

- ☐ (F) Climate risks are included in the enterprise risk management system. Describe:
- ☐ (G) Other methods for incorporating climate risks into overall risk management, please describe:
- ☐ (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Sustainability outcomes

Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- ☒ (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- ☐ (B) Our approach to sustainability outcomes is set out in our exclusion policy
- ☐ (C) Our approach to sustainability outcomes is set out in our stewardship policy
- ☐ (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- ☒ (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- ☒ (A) The SDG goals and targets
- ☒ (B) The Paris Agreement
- ☒ (C) The UN Guiding Principles on Business and Human Rights
- ☒ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) Other frameworks, please specify:
- ☐ (F) Other frameworks, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- ☒ (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- ☒ (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- ☐ (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- ☐ (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- ☐ (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- ☐ (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- ☒ (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- ☐ (A) No, we have not identified the sustainability outcomes from our activities
- ☒ (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The Paris Agreement
- ☒ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☒ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- ☒ (E) The EU Taxonomy
- ☐ (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- ☐ (G) Other framework/tool, please specify:
- ☐ (H) Other framework/tool, please specify:
- ☐ (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- ☒ (A) At the asset level
- ☐ (B) At the economic activity level
- ☒ (C) At the company level
- ☐ (D) At the sector level
- ☒ (E) At the country/region level
- ☐ (F) At the global level
- ☐ (G) Other level(s), please specify:
- ☐ (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- ☒ (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- ☐ (B) Consulting with key clients and/or beneficiaries to align with their priorities
- ☐ (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- ☐ (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- ☐ (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- ☒ (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- ☒ (G) Understanding the geographical relevance of specific sustainability outcome objectives
- ☐ (H) Other method, please specify:
- ☐ (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- ☒ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- ☒ (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- ☒ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- ☒ (D) A description of our investment process and how ESG is considered
- ☐ (E) ESG objectives of individual funds
- ☐ (F) Information about the ESG benchmark(s) that we use to measure fund performance
- ☐ (G) Our stewardship approach
- ☒ (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)

- ☒ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- ☐ (J) A list of our main investments and holdings
- ☒ (K) ESG case study/example from existing fund(s)
- ☐ (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- ☒ (A) Qualitative analysis, descriptive examples or case studies
- ☒ (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- ☒ (C) Progress on our sustainability outcome objectives
- ☐ (D) Stewardship results
- ☒ (E) Information on ESG incidents, where applicable
- ☐ (F) Analysis of ESG contribution to portfolio financial performance
- ☐ (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- ☒ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- ☒ (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- ☒ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- ☒ (D) A description of our investment process and how ESG is considered
- ☐ (E) ESG objectives of individual funds
- ☐ (F) Information about the ESG benchmark(s) that we use to measure fund performance

- ☐ (G) Our stewardship approach
- ☒ (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- ☒ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- ☐ (J) A list of our main investments and holdings
- ☒ (K) ESG case study/example from existing fund(s)
- ☐ (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- ☒ (A) Qualitative ESG analysis, descriptive examples or case studies
- ☒ (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- ☒ (C) Progress on our sustainability outcome objectives
- ☐ (D) Stewardship results
- ☒ (E) Information on ESG incidents where applicable
- ☐ (F) Analysis of ESG contribution to portfolio financial performance
- ☐ (G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(E) Infrastructure (3) Annually

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- ☐ (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- ☐ (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- ☒ (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- ☒ (E) Some or all of our funds have been audited as part of the certification process against a sustainable investment/RI label
- ☐ (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- ☐ (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- ☐ (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- ☐ (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

- | | |
|---|-------------------------|
| (A) Board and/or trustees | (4) report not reviewed |
| (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) | (4) report not reviewed |
| (C) Investment committee | (4) report not reviewed |

(D) Other chief-level staff, please specify:

n/a

(4) report not reviewed

(E) Head of department, please specify:

Head of ESG

(1) the entire report

(F) Compliance/risk management team

(4) report not reviewed

(G) Legal team

(4) report not reviewed

(H) RI/ ESG team

(1) the entire report

(I) Investment teams

(4) report not reviewed

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 59	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Which of the following ESG/RI certifications or labels do you hold?

- ☐ (A) Commodity type label (e.g. BCI)
- ☐ (B) GRESB
- ☐ (C) Austrian Ecolabel (UZ49)
- ☐ (D) B Corporation
- ☐ (E) BREEAM
- ☐ (F) CBI Climate Bonds Standard
- ☐ (G) EU Ecolabel
- ☐ (H) EU Green Bond Standard
- ☐ (I) Febelfin label (Belgium)
- ☐ (J) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- ☐ (K) Greenfin label (France)
- ☐ (L) ICMA Green Bond Principles
- ☐ (M) Le label ISR (French government SRI label)
- ☐ (N) Luxflag Climate Finance
- ☐ (O) Luxflag Environment
- ☐ (P) Luxflag ESG
- ☐ (Q) Luxflag Green Bond
- ☐ (R) Luxflag Microfinance
- ☐ (S) National stewardship code (e.g. UK or Japan), please specify:
- ☐ (T) Nordic Swan Ecolabel
- ☐ (U) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic), please specify:
- ☐ (V) People's Bank of China green bond guidelines
- ☐ (W) RIAA (Australia)

☐ (X) Towards Sustainability label (Belgium)

☒ (Y) Other, please specify:

NextEnergy Solar Fund (NESF) has the following 2 certifications: Guernsey Green Fund and Green Economy London Stock Exchange

Infrastructure (INF)

Policy

Investment guidelines

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 1	CORE	OO 31, OO 32	N/A	PUBLIC	Investment guidelines	1 to 6

What infrastructure-specific ESG guidelines are currently covered in your organisation's responsible investment policies?

☐ (A) Guidelines on how we adapt our ESG approach for each infrastructure sector we invest in

☒ (B) Guidelines on our ESG approach to new construction

☒ (C) Guidelines on our ESG approach to standing investments or operating assets

☐ (D) Guidelines on our engagement approach related to workforce

☒ (F) Guidelines on our engagement approach related to contractors

☒ (G) Guidelines on our engagement approach related to other external stakeholders (e.g. government, local communities and end-users)

☐ (H) Our policies do not cover infrastructure-specific ESG guidelines

Fundraising

Commitments to investors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 2	CORE	N/A	N/A	PUBLIC	Commitments to investors	1, 4

For all of your funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs) or side letters? (If you did not close any funds during this reporting year, refer to the last reporting year in which you did close funds.)

- ☐ (A) We incorporated responsible investment commitments in LPAs as a standard, default procedure
- ☐ (B) We added responsible investment commitments in LPAs upon client request
- ☒ (C) We added responsible investment commitments in side letters upon client request
- ☐ (D) We did not make any formal responsible investment commitments for the relevant reporting year
- ☐ (E) Not applicable as we have never raised funds
- ☐ (F) Not applicable as we have not raised funds in the last 5 years

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3	CORE	N/A	INF 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential infrastructure investments?

- | | |
|---|--|
| (A) We assessed materiality at the asset level, as each case is unique | (4) for none of our potential infrastructure investments |
| <hr/> | |
| (B) We performed a mix of industry-level and asset-level materiality analysis | (2) for the majority of our potential infrastructure investments |
| <hr/> | |
| (C) We assessed materiality at the industry level only | (4) for none of our potential infrastructure investments |
| <hr/> | |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3.1	CORE	INF 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?

- ☐ (A) We used GRI Standards to inform our infrastructure materiality analysis
☐ (B) We used SASB to inform our infrastructure materiality analysis
☐ (C) We used GRESB Materiality Assessment (RC7) or similar in our infrastructure materiality analysis
☒ (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards) in our infrastructure materiality analysis
☒ (E) We used climate risk disclosures such as the TCFD recommendations (or other climate risk analysis tools) to inform our infrastructure materiality analysis
☒ (F) We used geopolitical and macro-economic considerations in our infrastructure materiality analysis
☐ (G) Other, please specify:

Due diligence

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 4	CORE	N/A	N/A	PUBLIC	Due diligence	1

During the reporting year, how did ESG factors affect the selection of your infrastructure investments?

- | | |
|--|---|
| (A) ESG factors helped identify risks | (1) for all of our infrastructure investments selected |
| (B) ESG factors were discussed by the investment committee (or equivalent) | (1) for all of our infrastructure investments selected |
| (C) ESG factors helped identify remedial actions for our 100-day plans (or equivalent) | (4) for none of our infrastructure investments selected |
| (D) ESG factors helped identify opportunities for value creation | (2) for the majority of our infrastructure investments selected |
| (E) ESG factors led to the abandonment of potential investments | (3) for a minority of our infrastructure investments selected |

(F) ESG factors impacted investments in terms of price offered and/or paid by having an effect on revenue assumptions	(4) for none of our infrastructure investments selected
(G) ESG factors impacted investments in terms of price offered and/or paid by having an effect on CAPEX assumptions	(2) for the majority of our infrastructure investments selected
(H) ESG factors impacted investments in terms of price offered and/or paid by having an effect on OPEX assumptions	(2) for the majority of our infrastructure investments selected
(I) ESG factors impacted investments in terms of price offered and/or paid by having an effect on the cost of capital or discount rate assumptions	(4) for none of our infrastructure investments selected
(J) Other, please specify: n/a	(4) for none of our infrastructure investments selected

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 5	CORE	N/A	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential investments?

(A) We do a high-level/desktop review against an ESG checklist for initial red flags	(1) for all of our potential infrastructure investments
(B) We send detailed ESG questionnaires to target assets	(1) for all of our potential infrastructure investments
(C) We hire third-party consultants to do technical due diligence on specific issues	(1) for all of our potential infrastructure investments
(D) We conduct site visits and in-depth interviews with management and personnel	(1) for all of our potential infrastructure investments
(E) We incorporate actions based on the risks and opportunities identified in the due diligence process into the 100-day plan (or equivalent)	(1) for all of our potential infrastructure investments
(F) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence (e.g. commercial, accounting and legal)	(1) for all of our potential infrastructure investments

(G) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence (e.g. commercial, accounting and legal)

(1) for all of our potential infrastructure investments

(H) Other, please specify:

n/a

(4) for none of our potential infrastructure investments

Post-investment phase

Monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9	CORE	N/A	INF 9.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more core ESG KPIs across all your infrastructure investments?

- ☒ (A) Yes, we tracked environmental KPIs
- ☒ (B) Yes, we tracked social KPIs
- ☐ (C) Yes, we tracked governance KPIs
- ☐ (D) We did not track ESG KPIs across our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9.1	PLUS	INF 9	N/A	PUBLIC	Monitoring	1

Provide examples of the core ESG KPIs you tracked across all of your infrastructure investments.

- ☒ (A) ESG KPI #1
- GHG emissions avoided (CO2 equivalent)
- ☒ (B) ESG KPI #2
- Other emissions to air avoided (oxides of nitrogen)
- ☒ (C) ESG KPI #3
- Fossil fuels consumption avoided (oil equivalent)
- ☐ (D) ESG KPI #4
- ☐ (E) ESG KPI #5
- ☐ (F) ESG KPI #6
- ☐ (G) ESG KPI #7
- ☐ (H) ESG KPI #8

- ☐ (I) ESG KPI #9
☐ (J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10	CORE	N/A	N/A	PUBLIC	Monitoring	1

For the majority of the core KPIs that you tracked, how did you set targets across your infrastructure investments?

- ☐ (A) We set targets to achieve incremental improvements based on past performance
☐ (B) We set targets using industry benchmarks or standards
☐ (C) We set targets against global benchmarks or thresholds (e.g. on climate change and/or the SDGs)
☒ (D) **We did not set targets for the core ESG KPIs that we track**
☐ (E) We did not set targets as we don't track core ESG KPIs

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 11	CORE	OO 32	INF 11.1	PUBLIC	Monitoring	1,2

What processes do you have in place to support meeting your ESG targets for your infrastructure investments?

(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance	4/ For none of our infrastructure investments
(B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessment and analysis	1/ For all of our infrastructure investments
(C) We implement certified environmental and social management systems across our portfolio	1/ For all of our infrastructure investments
(D) We make sufficient budget available to ensure that the systems and procedures needed to achieve the target are put in place	1/ For all of our infrastructure investments
(E) We hire external verification services to audit performance, systems and procedures	4/ For none of our infrastructure investments
(G) We develop minimum health and safety standards	1/ For all of our infrastructure investments
(H) We conduct ongoing engagement with all key stakeholders (e.g. local communities, NGOs, governments and end-users)	1/ For all of our infrastructure investments

(I) Other, please specify:

n/a

4/ For none of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 11.1	PLUS	INF 11	N/A	PUBLIC	Monitoring	1,2

Describe up to two processes that you put in place during the reporting year to support meeting your ESG targets.

Processes to support meeting ESG targets

(A) Process 1

In September 2020, NEC started a process of review of our suppliers. This has included sending them due-diligence questionnaires and engaging with them in order to ensure their practices are consistent with NEC's ESG policies.

(B) Process 2

This year, NEC has implemented a consistent ESG strategy across all of our funds. Our ESG process and disclosure practices are aligned with the EU SFDR; a document describing our activities and strategy on a fund-by-fund basis is available on our website.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 12	CORE	N/A	N/A	PUBLIC	Monitoring	1, 2

Post-investment, how do you manage material ESG-related risks and opportunities to create value during the holding period of your investments?

(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings

(1) for all of our infrastructure investments

(B) We adjust our ESG action plans regularly based on performance monitoring findings

(1) for all of our infrastructure investments

(C) We hire external advisors to provide support with specific ESG value creation opportunities

(1) for all of our infrastructure investments

(D) Other, please specify:

n/a

(4) for none of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 13	PLUS	N/A	N/A	PUBLIC	Monitoring	2

Describe how your long-term ESG action plans are currently defined, implemented and monitored.

Where applicable, the ESG Review includes an ESG Action Plan (AP) which is agreed during the negotiation phase. The AP is adopted by NEC in order to fill any gaps that may exist between the standards NEC seeks to uphold, and those of the project and its various counterparties. The AP i) outlines gaps with local and national requirements where the asset(s) is/are situated, our Sustainable Investment Policy, the IFC Performance Standards and the Equator Principles, if applicable, and ii) includes, amongst other things, an indication of responsibilities, costs and timings to bridge these gaps. During the ownership phase, NEC's ESG team regularly interacts with the operating team of the Group's asset manager arm, Wise Energy, in order to ensure that any mitigation measures identified in any AP are implemented and that the asset manager provides NEC with a number of ESG KPIs that reflect the material SDGs that NEC has built into our sustainability frameworks, and are aligned with other factors as required by the EU Disclosure and Taxonomy regulation. For every new acquisition, the ESG team shares an ESG handover plan (Typically the AP together with a list of KPIs included in an ESG ownership template) and the asset manager oversees the O&M/ESG consultant for the implementation of the APs, ensuring that NEC receives regular reporting on progress. Reporting varies depending on the issue, for example biodiversity monitoring can be seasonal or annual, while Health & Safety tends to be on either a 6 or 12 month basis, with immediate notification of any material accident. This also ensures that the NEC ESG and Portfolio managers are notified immediately of any material non-compliance and /or any material accident.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14	CORE	N/A	INF 14.1	PUBLIC	Monitoring	1, 2

How do you ensure that adequate ESG-related competence exists at the asset level?

(A) We assign the board responsibility for ESG matters

(1) for all of our infrastructure investments

(B) We mandate that material ESG matters are discussed by the board at least once a year

(1) for all of our infrastructure investments

(C) We provide training on ESG aspects and management best practices relevant to the asset to C-suite executives only

(4) for none of our infrastructure investments

(D) We provide training on ESG aspects and management best practices relevant to the asset to employees (excl. C-suite executives)

(2) for the majority of our infrastructure investments

(E) We support the asset in developing and implementing its ESG strategy	(1) for all of our infrastructure investments
(F) We support the asset by finding external ESG expertise (e.g. consultants or auditors)	(1) for all of our infrastructure investments
(G) We share best practices across assets (e.g. educational sessions, implementation of environmental and social management systems)	(1) for all of our infrastructure investments
(H) We include incentives to improve ESG performance in management remuneration schemes	(4) for none of our infrastructure investments
(I) Other, please specify: n/a	(4) for none of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14.1	PLUS	INF 14	N/A	PUBLIC	Monitoring	1, 2

Describe up to two initiatives taken as part of your ESG competence-building efforts during the reporting year.

ESG competence-building initiatives

(A) Initiative 1	ESG training courses have been provided to our asset manager, Wise Energy, as they are responsible for the implementation of the Action Plans in the post-investment phase. Three training sessions were given out last year, for their offices in the USA, Europe and India.
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Exit

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 15	CORE	N/A	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information has your organisation shared with potential buyers of infrastructure investments?

(A) We shared our firm's high-level commitment to responsible investment (e.g. that we are a PRI signatory)	(1) for all of our infrastructure investments
(B) We shared a description of what industry and asset class standards our firm aligns with (e.g. TCFD or GRESB)	(4) for none of our infrastructure investments
(C) We shared our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)	(1) for all of our infrastructure investments
(D) We shared our firm's ESG risk assessment methodology (topics covered, in-house and/or with external support)	(1) for all of our infrastructure investments
(E) We shared the outcome of our latest ESG risk assessment on the asset or portfolio company	(1) for all of our infrastructure investments
(F) We shared key ESG performance data on the asset or portfolio company being sold	(4) for none of our infrastructure investments
(G) Other, please specify: n/a	(4) for none of our infrastructure investments

Reporting/Disclosure

ESG portfolio information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 16	CORE	N/A	N/A	PUBLIC	ESG portfolio information	6

During the reporting year, how did you report on core ESG data and targets to your investors or beneficiaries?

- ☒ (A) We reported in aggregate through a publicly disclosed sustainability report
- ☒ (B) We reported in aggregate through formal reporting to investors or beneficiaries
- ☒ (C) We reported on the asset level through formal reporting to investors or beneficiaries
- ☐ (D) We reported through a limited partners advisory committee (or equivalent)
- ☐ (E) We reported back at digital or physical events or meetings with investors or beneficiaries
- ☐ (F) We did adhoc or informal reporting on serious ESG incidents
- ☐ (G) Other, please specify:
- ☐ (H) We did not report on core ESG data and targets to our investors or beneficiaries during the reporting year