



PUBLIC TRANSPARENCY REPORT

2024

NextEnergy Capital Limited

Generated 25-11-2024

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2024 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

SENIOR LEADERSHIP STATEMENT

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

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

(1) Why does your organisation engage in responsible investment?

NextEnergy Capital (NEC) is a leading global investment manager in the solar infrastructure sector. We refer to the solar energy and complementary technologies, including energy storage, which NEC's business activities focus on within this sector as Solar+. NEC is part of the NextEnergy Group, which also includes WiseEnergy (asset manager), Starlight (asset developer), NextSTEP (sustainable technology JV), and the NextEnergy Foundation. Since 2007, the Group has been on a mission to contribute to a more sustainable future by leading the transition to clean energy.

We believe that being responsible is a mindset. For this reason, it is one of our five Corporate Values, and intrinsic to everything we do. We hold ourselves, and others, to the highest ethical and social standards to make sure that the value we generate benefits society and the environment. At NEC, our approach to responsible investment extends beyond our focus on Solar+ infrastructure. We are committed to address the most material global challenges for our industry and stakeholders, including local community engagement; nature-related interdependencies; and, circularity in the solar value chain.

Engaging in responsible investment provides the impetus for NEC to consider the interconnection between these topics. This, in turn, enables us to pursue positive sustainability outcomes to shape a more prosperous future for people and nature whilst generating longer-term, sustainable economic value for our investors.

(2) What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

NEC is committed to responsibly leading the transition to clean energy generation.

Our approach to responsible investment is founded on a Sustainability Framework which supports the Group's Sustainability Strategy. The Strategy and Framework were launched in January 2024 following a 12-month review of our approach to ESG. The Framework begins with our mission and is orientated by three ESG priority areas: People, Nature and Prosperity. Three focus topics underlie each priority area, including climate, circular economy, human rights, and health and safety, amongst others. They align with the global ESG agenda and are important for our business activities, the solar industry, and our Corporate Values.

We recognise that our role in society goes beyond safeguarding and accelerating the transition to a low-carbon economy. As such, sustainability for NEC means generating prosperity in a way that benefits all our stakeholders.

Our commitments are set out in our Sustainability Policies, which are approved by NextEnergy Group's CEO and guide the integration of potential ESG risks and opportunities into our investment decision-making. As a result of the new Sustainability Strategy, NEC is updating its Sustainability Policies and aligning its practices accordingly. The current policies include a Sustainable Investment Policy and Position Statements on Climate Change, Biodiversity, and Human Rights. These are complemented by supply chain risk management commitments, which are based on a Supplier Code of Conduct. All documents are approved by the senior members of the company and are publicly available.

NEC and all of its funds are compliant with the requirements of the EU Sustainable Finance Disclosure Regulation (SFDR) (EU) 2019/2088 and the Taxonomy Regulation (EU) 2020/852.

NEC's funds are classified under Article 9 of the SFDR. NEC's commitment to responsible investment is further proven by our choice to align all relevant ESG disclosures early and voluntarily with the International Sustainability Standards Board (ISSB) standards. In March 2024 we became an Early Adopter of the Taskforce on Nature-Related Financial Disclosures (TNFD). This cements NEC's commitment to

The ESG team advances sustainability through multiple channels across NEC and the Group. NEC benefits from subject matter experts whose knowledge supports the investment due diligence processes and strategic projects. Examples include the advancement of topic-specific workstreams which are material to us and support the overarching Sustainability Strategy, and responsible sourcing. Pre-acquisition, the team works closely with NEC's Investment, and Construction and Procurement teams to ensure the full integration of the Sustainability Strategy.

Post-acquisition, it liaises with NEC's Portfolio Management and WiseEnergy's Commercial and Technical teams. ESG team members are also actively engaged with responsible investment associations, and hold Chairing positions for key industry work.

Section 2. Annual overview

- 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. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

Progress on a material issue for NEC:

NEC has continued to strengthen its approach to addressing the risk of social and human rights abuses in solar supply chains. Broader environmental and governance issues are also taken into account to holistically advance improved sustainability outcomes. In 2022, NEC developed a proprietary solar PV module supplier assessment tool. It was updated in 2023 to deepen the traceability aspects of the tool, and to account for climate and nature topics. The tool is now also used to assess battery energy storage system suppliers, and we will continue to evolve it to consider other key components.

The tool is only one element in the robust and detailed responsible sourcing approach which NEC has developed. Our approach is based on three principles, as set out on our website in a Responsible Supply Chain document. The extent of NEC's progress towards leading efforts to proactively promote sustainable sourcing within the solar industry is demonstrated by our ongoing work to embed our responsible supply chain approach into NextEnergy Group's carbon neutral and nature-positive commitments. This is ensuring an inclusive and interconnected approach to sustainability. NEC also continues to achieve external recognition for its efforts, as exemplified by the Chairing, Board member, and Technical Working Group positions which NEC's ESG team members have been appointed to.

Performance:

(1) Strengthening our track record investing in utility-scale solar projects whilst leading the ESG and sustainability space: NEC's fifth solar PV fund, NextPower V ESG was launched in January 2023 and positive fundraising traction continued for NEC's fourth solar PV fund, NextPower UK ESG.

Indeed, commitments to NPUK ESG to date are 25% above the fund's target of £500m. We continue to demonstrate across all our funds that delivering financial performance must be intertwined with being a leader in the ESG and sustainability space; it is the full integration of ESG and sustainability considerations across our business activities which guarantees the resilience we achieve as a company.

(2) Developing our new Sustainability Strategy and supporting Framework: In 2023, NextEnergy Group undertook an extensive review of our approach to sustainability and ESG.

The aim was to ensure that the Group's approach remains relevant to all Group companies' business objectives, including NEC's, and that it reflects the current and future sustainability and ESG landscapes. It was undertaken with the support of an advisor, with additional external feedback sought to guarantee a robust and forward-looking approach. As a result, we launched a new Sustainability Strategy in January 2024, publishing our flagship annual Group Sustainability Report. The Strategy is aligned with the most relevant ESG topics, industry initiatives, and disclosure frameworks and standards. It is underpinned by a Framework which begins with our mission and is orientated around three Priority Areas: People, Nature and Prosperity. This Framework forms the basis of NEC's responsible investment activities going forwards.

(3) Implementing a detailed community engagement plan at one of NEC's assets: NEC is not only committed to leading a sustainable transition to renewable energy through our mission, but also a just one.

During the due diligence for one of the projects acquired in Chile, the ESG team learnt of the Indigenous Diaguita Huillanco Community, located 500m west of the project access. Prior to the acquisition and as part of our ESG due diligence process, NEC ascertained whether a Free Prior and Informed Consent consultation had been carried out by the seller in line with the IFC PS 7. Following the project acquisition, NEC took onboard the outcomes agreed during this consultation and began implementing the agreements in 2023, working with the same specialist community consultant who was appointed by the seller to maintain a sense of continuity with the Community and build a long-term, trusted and positive relationship. The impact of the actions taken over the PRI's reporting year has set a solid foundation from which

(4) Deploying battery energy storage systems (BESS) and refining stewardship efforts to advance responsible sourcing: In 2023, NEC started evaluating BESS projects into its funds' portfolio, with the first standalone BESS project energised by our listed fund, NextEnergy Solar Fund, in March 2024. The addition of these technologies presents new sustainability considerations which we began integrating in our sustainable supply chain approach over the PRI reporting year, including ensuring their inclusion in industry initiatives. This is part of NEC's ongoing efforts to evolve its approach to ensure that all Solar+ technologies and their components are responsibly sourced.

Section 3. Next steps

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

NextEnergy Group has developed a Climate Transition and Net Zero Plan, and a Nature Plan to support the Group's Sustainability Strategy. These are detailed below. They provide the roadmap for the Group and all Group companies, including NEC, to accelerate the pathway to a net zero, nature-positive future, and to lead the solar and investment industries to do the same.

With respect to climate, we are working with a third-party climate data specialist to understand, calculate and mitigate our Scope 1, 2 and 3 carbon emissions at the Group and company levels. Our Climate Transition and Net Zero Plan follows the UK Transition Plan Taskforce's approach.

In 2023, we calculated NextEnergy Group's emissions for the year ending 31 December 2022 in accordance with the Greenhouse Gas Protocol and other country-specific approved sources, such as the Partnership for Carbon Accounting Financials (PCAF). From this baseline, the Group commits to achieve carbon neutrality in 2024, excluding financed emissions from the funds. For each of NEC's funds' financed emissions – which have been calculated for year ending 2023 and will be disclosed by July 2024 – we aim to set emissions reductions targets in line with the Science-Based Targets Initiative (SBTi) or similar frameworks in order for each fund to achieve net zero by 2050 deadline, if not before. Emissions data and reduction plans will be disclosed through periodic regulatory and voluntary reporting. As a starting point, and in line with NEC's commitment to transparently communicate our approach and progress, we are aligning all relevant ESG disclosures early and voluntarily with the International Sustainability Standards Board (ISSB) standards from 2024.

Regarding nature, NextEnergy Group recognises the urgency for action to be taken to reduce the intensity and drivers of biodiversity loss as part of the Kunming-Montreal Global Biodiversity Framework. We support the Framework by accounting for biodiversity and natural capital considerations in our operations and decision-making. Our overall approach to biodiversity aligns with the Task Force on Nature-Related Financial Disclosure (TNFD) framework and relevant national objectives of the countries in which we operate, such as the UK Government's 25-Year Environment Plan and the goals of its Environmental Improvement Plan 2023 (EIP23).

In 2023, the Group undertook an in-depth exercise to develop a Nature Plan with the common objective of achieving a net positive impact across all NEC's UK and international portfolios. The Plan was developed in partnership with a third-party expert, Etifor, and included a double materiality assessment of all nature-related interdependencies. This assessment considers both NEC's and its funds' direct operations and value chain. The Plan will support strategic nature-related decision-making and enable more proactive risk management and opportunity delivery, particularly related to the upstream risks associated with nature loss. NEC has also started identifying nature-related metrics to be able to work towards nature positive outcomes and, as an Early Adopter of the TNFD, we are now working towards NEC's first integrated ISSB-TNFD climate and nature disclosure report to be issued in 2025.

Section 4. Endorsement

'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

Giulia Guidi

Position

Head of ESG

Organisation's Name

NextEnergy Capital Limited

○ A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework.

The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it 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'.

● B

The Senior Leadership Statement reflects NextEnergy Capital's organisation-wide commitment and approach to responsible investment.

This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by NextEnergy Capital in the various modules of the Reporting Framework.

The Senior Leadership Statement is provided as a general overview of NextEnergy Capital'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, judgment 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

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2023

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?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 4,000,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	0%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	>75%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED INFRASTRUCTURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 INF	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed infrastructure	GENERAL

Provide a further breakdown of your internally managed infrastructure AUM.

(A) Data infrastructure 0%

(B) Diversified 0%

(C) Energy and water resources 0%

(D) Environmental services 0%

(E) Network utilities 0%

(F) Power generation (excl.
renewables) 0%

(G) Renewable power >75%

(H) Social infrastructure 0%

(I) Transport 0%

(J) Other 0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(H) Infrastructure

(2) >0 to 10%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

(7) Infrastructure

(A) Yes, through internal staff

(B) Yes, through service providers

(C) Yes, through external managers

(D) We do not conduct stewardship

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(K) Infrastructure



ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Additional information: (Voluntary)

This is in alignment with EU SFDR Article 9 classification of our funds where 95% of each fund is aligned and the remaining amount is allocated typically for cash holdings.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>50-75%

(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

Which 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) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)

(AH) Other

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

OTHER ASSET BREAKDOWNS

INFRASTRUCTURE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 27	CORE	OO 21	N/A	PUBLIC	Infrastructure: Ownership level	GENERAL

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

(A) A majority stake (more than 50%)

Select from the list:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75%

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

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

INFRASTRUCTURE: STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 28	CORE	OO 21	N/A	PUBLIC	Infrastructure: Strategy	GENERAL

What is the investment strategy for your infrastructure assets?

- (A) Core
- (B) Value added
- (C) Opportunistic
- (D) Other

INFRASTRUCTURE: TYPE OF ASSET

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 29	CORE	OO 21	INF 1	PUBLIC	Infrastructure: Type of asset	GENERAL

What is the asset type of your infrastructure?

- (A) Greenfield
- (B) Brownfield

INFRASTRUCTURE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 30	CORE	OO 21	Multiple, see guidance	PUBLIC	Infrastructure: Management type	GENERAL

Who manages your infrastructure assets?

- (A) Direct management by our organisation
- (B) Third-party infrastructure operators that our organisation appoints
- (C) Other investors, infrastructure companies or their third-party operators
- (D) Public or government entities or their third-party operators

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
 - Specify:
 - Specific guidelines on biodiversity and nature
 - Specific guidelines on supply chain
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

https://cdn.next1.nextenergycapital.com/next/2023/07/NextEnergy-Capital-Sustainable_Investment_Policy-June-2023.pdf

(B) Guidelines on environmental factors

Add link:

https://cdn.next1.nextenergycapital.com/next/2023/07/NextEnergy-Capital_Biodiversity_Position_Statement-June2023.pdf

(C) Guidelines on social factors

Add link:

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

(D) Guidelines on governance factors

Add link:

<https://cdn.next1.nextenergycapital.com/next/2021/03/NextEnergy-Capital-ESG-Disclosures-Final-09.03.20211.pdf>

(E) Guidelines on sustainability outcomes

Add link:

https://cdn.next1.nextenergycapital.com/next/2023/07/NextEnergy-Capital-Sustainable_Investment_Policy-June-2023.pdf

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

https://cdn.next1.nextenergycapital.com/next/2023/07/NextEnergy-Capital-Climate_Change_Statement-July-2023.pdf

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

Add link:

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

(H) Specific guidelines on other systematic sustainability issues

(I) Guidelines tailored to the specific asset class(es) we hold

Add link:

https://cdn.next1.nextenergycapital.com/next/2021/04/NextEnergy-NEC_Sustainable_Investment_policy.pdf

(J) Guidelines on exclusions

Add link:

https://cdn.next1.nextenergycapital.com/next/2021/04/NextEnergy-NEC_Sustainable_Investment_policy.pdf

(K) Guidelines on managing conflicts of interest related to responsible investment

(N) Stewardship: Guidelines on engagement with other key stakeholders

Add link:

<https://www.nextenergycapital.com/sustainability/sustainable-investing/supply-chain/>

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

- (A) Yes
- (B) No

Explain why:

NEC's funds invest directly in solar assets and associated renewable energy technologies (e.g., battery storage).

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent**

Specify:

C-suite team members (CEO, CIO, COO) and Head of ESG

- (C) Investment committee, or equivalent**

Specify:

C-suite team members and the Head of ESG are Members of the Investment Committees for NEC's private equity funds

- (D) Head of department, or equivalent**

Specify department:

Head of ESG

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment

(B) Guidelines on environmental, social and/or governance factors

(C) Guidelines on sustainability outcomes

(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

(A) Yes

Describe how you do this:

All engagements are subject to compliance with our own internal governance and policies, such as anti-bribery and anti-corruption policies, and gift, hospitality and political donations approach. Any engagement is kept specific to agreed discussion points; is always led by a senior member of staff; and, limited to conversations and site visits that are not sponsored or paid for in any way.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

ESG team, investment teams, and construction and procurement team

(B) External investment managers, service providers, or other external partners or suppliers

Specify:

WiseEnergy (operating solar Asset Manager), all contractors (e.g., Engineering Procurement and Construction, and Operations and Maintenance) and suppliers

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Explain why: (Voluntary)

NEC does not currently use responsible investment KPIs to evaluate performance; establishing such KPIs is an objective for 2024-2025. However, NEC's Remuneration Policy is designed to ensure that NEC's compensation arrangements are aligned with NEC's business strategy, objectives, and values, and the long-term interests of investors. Therefore, sustainability risks that might cause an actual or potential material negative impact on the value of an investment are not only integrated into NEC's investment decisions, but also are part of NEC's Remuneration Policy. The Policy seeks to promote sound and effective risk management with respect to sustainability risks and ensures that any decisions concerning remuneration do not encourage risktaking with respect to sustainability risks. It is designed so that compensation arrangements are aligned with the implementation of NEC's sustainability strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

(2) Senior executive-level staff, investment committee, head of department or equivalent

(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

https://cdn.next1.nextenergycapital.com/next/2024/02/2022_NEC-TCFD_ISSB-S2_Report_Final.pdf

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://www.nextenergycapital.com/sustainability/transparency-and-reporting/group-level-reporting/nec-sustainability-related-disclosure/>

- (B) Disclosures against the European Union's Taxonomy

Link to example of public disclosures

<https://www.nextenergycapital.com/sustainability/transparency-and-reporting/group-level-reporting/nec-sustainability-related-disclosure/>

- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations
- (E) Disclosures against other international standards, frameworks or regulations
- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.nextenergycapital.com/company/membership>

<https://www.nextenergycapital.com/sustainability/sustainable-investing/supply-chain/>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements

Specify:

- Forced labour
- Conversion of natural ecosystems
- Adverse impacts on protected areas, such as UNESCO World Heritage Sites,
- Impacts on endangered species and associated critical habitats categorised on the Red List of the International Union for Conservation of Nature (IUCN)

- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

(A) We incorporate ESG factors into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

(B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

(C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

NEC's funds invest exclusively in the solar PV infrastructure asset class. As such, all responsible investment considerations are made in relation to this asset class.

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(5) Infrastructure

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

NextEnergy Capital is a specialist solar investment manager. As such, all of our stewardship and engagement efforts centre around clean energy production through solar PV assets and associated technologies. NEC's approach to maximising the long-term economic, social and environmental value of our assets is guided by NextEnergy Group's Sustainability Strategy and supporting Framework. The Strategy was launched in January 2024 following a detailed strategic review with the support of an advisor, with additional external feedback sought to guarantee a robust and forward-looking approach to sustainability.

The Framework is the foundation of our sustainability strategy; it begins with our mission and is orientated around three Priority Areas: People, Nature and Prosperity.

Surrounding these priorities are the levers through which NextEnergy Group and all Group companies, including NEC, undertakes its stewardship efforts: supply chain management, stakeholder engagement and good governance. As such, the priority is to engage with our stakeholders on topics which advance improved sustainability outcomes aligned with our Sustainability Framework.

We also align our stewardship efforts with industry priorities. A key focus for the solar industry is to address the risk of social and human rights abuses in its supply chains.

NEC is committed to being at the forefront of efforts to proactively promote sustainable sourcing within the solar industry, addressing environmental and governance issues as well to holistically advance improved sustainability outcomes. In the period covered by the PRI's reporting year, we have continued to evolve and strengthen our responsible sourcing approach, including: updating NEC's proprietary solar PV module supplier assessment tool to deepen traceability, expand ESG assessment and extend to battery energy storage system suppliers; accounting for NEC's upstream impacts on nature; and, embedding supply chain considerations in NextEnergy Group's net zero and nature-positive commitments. Our stewardship efforts on this theme are set out in a publicly available Responsible Supply Chain Sustainability document; a notable engagement is NEC's role as a founding sponsor and supporter of the Solar Stewardship Initiative (SSI < <https://www.solarstewardshipinitiative.org/>>), a major supply chain achievement to develop a sustainable solar sector. NEC's Head of ESG is one of the Board members of the SSI, which ensures we continue to drive the industry' stewardship on key sustainability topics.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 1
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

Select from the list:

- 4
- 5

(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

(D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- 3
- 5

(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- 2
- 5

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

NEC is a mission-driven, responsible investor. The comprehensive ESG due diligence carried out pre-acquisition is informed by best practice from our collaborative stewardship activities. A noteworthy example includes the stewardship activities undertaken with Action Sustainability where NEC collaborated in a project to develop international responsible sourcing guidance for solar panel buyers. ESG team members participated in an interview and workshop process to support the development of this guidance in Spring 2023. This included discussing approaches to sustainability, how solar investors can play their part in increasing transparency, and how to drive best practice across the industry.

An introduction to the project is available on the Action Sustainability website.

Another key stewardship effort is with the Solar Stewardship Initiative (SSI), a major supply chain achievement to which NEC is a founding sponsor and supporter. Its objective is to further develop a sustainable solar sector, including establishing a mechanism for end-to-end supply chain transparency. The launch of the SSI was a significant milestone, and was followed with the launch of a public consultation on its work in May 2023.

These stewardship activities feed into NEC's decision-making because NEC's dedicated internal approach to supply chain due diligence not only draws on the extensive experience of NEC's teams across sustainable construction, procurement, and investment decision-making, but also external engagement with industry action initiatives.

As an example, NEC's proprietary solar PV module supplier assessment tool was first developed in 2022 to integrate supply chain due diligence into NEC's investment process. The tool was updated in 2023/24 to also assess battery energy storage system suppliers and as a reflection of what we learnt from other supply chain stakeholders through our stewardship activities. We will continue to evolve it to consider other key components as we continue to learn.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

Stakeholder engagement is fundamental to advancing improved sustainability outcomes. NEC is a highly active investment manager. Our engagement strategy advocates for alignment with global standards and best practices. We learn through ongoing engagement with our stakeholders because each of them influences the way in which we conduct our business activities. We therefore regularly map our stakeholders because we believe that this allows us to better understand and minimise our ESG risks, and to maximise our opportunities.

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
 - o (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

NEC is an active member of trade associations including Solar Energy UK and SolarPower Europe. NEC team members chair or participate in multiple industry working groups run by these associations; respond to consultations, calls for evidence and other inquiries; feed into industry discussions on all relevant ESG topics; and, provide evidence, case studies and support to academic and other research projects. We also support and sponsor industry-wide initiatives, such as the Solar Stewardship Initiative.

- (D) We engaged policy makers on our own initiative

Describe:

We engage with relevant civil servants and Members of Parliament to discuss ESG and other policy issues material to the solar industry as part of our responsible investment approach. This includes, for example, organising individual meetings; participating in trade conferences, panels and other events; and, organising site visits to explain the operational aspects of solar farms.

- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://www.nextenergycapital.com/sustainability/sustainable-investing/supply-chain/>
<https://www.nextenergysolarfund.com/wp-content/uploads/2024/06/2023-2024-NESF-Sustainability-and-ESG-Report-002.pdf>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

- (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

NEC's funds invest in solar assets and associated renewable energy technologies, such as battery storage. Through NEC's commitment to providing clean energy, it is well-placed to help curb global carbon emissions.

However, there remain risks associated with the renewable energy transition and potential physical consequences associated with rising temperatures globally. Climate-related risks and opportunities are assessed through both our due diligence approach – conducted during the preacquisition phase of the investment process – and through annual TCFD-related reviews, which include climate scenario analysis along with physical and transitional risk reviews considering short-, mid- and long-term periods.

Last year, NEC published its first TCFD Report for the 2022 calendar year, which was prepared in accordance with the International Sustainability Standards Board (ISSB) S2-Climate-related Disclosures. Risks and opportunities are also detailed at the portfolio level for NEC's listed fund, NextEnergy Solar Fund (NESF). NESF's 2024 Sustainability and ESG Report was prepared in accordance with the ISSB S1 and S2 standards, with which NESF chose to voluntarily align. All reports are publicly available.

- (B) Yes, beyond our standard planning horizon
- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

☉ (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

As NEC is a renewables-specialised Investment Manager and Advisor, generating positive climate impacts - and therefore also climate-related opportunities - is a constant and mandatory consideration for the company. This is aligned with all of our funds' EU SFDR Article 9 classifications.

At the investment level, climate-related risks and opportunities are reviewed as part of the ESG due diligence undertaken during the pre-investment phase for all assets. Both acute and chronic physical risks and, where relevant, transitional considerations - such as policy, legal, technology, reputation, and market risks - are considered on an asset-by-asset basis. Overall risk mitigation measures and associated costs are factored into each investment's financial model and detailed in the ESG Memo, which forms part of the Investment Paper presented to the Investment Committee.

Examples of risks that can impact financial planning include but are not limited to, an asset's exposure to flood, irradiation, extreme heat, and drought, in addition to supply chain considerations, both from an abatement and offsetting perspective. Depending on the probability and severity of the risk, the mitigations and associated cost implications are factored into the project's financial model, ESG Memo, and Investment Paper. Regarding the climate improvement opportunities that solar assets can provide, these are considered at the asset level and include, but are not limited to, reviewing natural capital and biodiversity baselines to determine how they can be improved, as well as carbon offsetting and capture potentials, where relevant.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

(D) Yes, using other scenarios

Specify:

IPCC RCP Scenarios

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

(A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

NextEnergy Capital (NEC) ensures that climate-related risks are fully integrated into every stage of its investment and asset management processes. This begins with the due diligence carried out during the pre-acquisition process, which covers all relevant climate-related risks and opportunities, such as flooding and wildfires. The due diligence process was significantly enhanced in 2022-2023 when NEC developed a proprietary asset screening tool. This generates a structured, pre-investment assessment of every potential asset against environmental criteria, including physical climate-related and transition risks; biodiversity impacts; and, land use. NEC ensures that this process not only considers the climate change and biodiversity risks directly associated with its assets, but also within its supply chain – such as embodied carbon, and the potential impacts on local biodiversity of different processes – and, in line with NEC’s commitments as a Supporter of the Task Force on Climate related Financial Disclosures (TCFD), the screening tool informs the broader NEC climate assessment process.

The TCFD was disbanded and superseded by the International Sustainability Standards Board (ISSB) Standards in November 2023. NEC was an early adopter of the ISSB Standards and commits to disclosing our climate change risks and positive impacts in accordance with them. Data from additional sources, such as environmental agencies, is used to inform transaction decisions; where a risk is identified, appropriate measures are implemented to mitigate it as part of the Action Plan passed onto the asset manager post-acquisition.

In parallel, existing assets are subject to at least an annual review through the application of the TCFD/ISSB recommendations. Physical and transitional risks over the short-, mid- and long-terms are considered in reference to the IPCC climate profiles and scenarios.

Results are disclosed in an annual ISSB release at the NEC level, and this reviews assets from all managed funds.

Furthermore, NEC has voluntarily applied the ISSB recommendations toward its supply chain in a standalone deep-dive document, which specifically looks at the exposure of its key suppliers to transitional and physical risk.

(2) Describe how this process is integrated into your overall risk management

ESG is integrated at every stage of investment decision-making relating to NEC’s funds, their underlying assets and related activities. This is based on a four-step process: 1) identifying and assessing ESG issues from the beginning of a transaction; 2) managing any risks, and acting on the opportunities, presented by ESG; 3) reporting on ESG matters on the NEC website and through other disclosures; and, 4) engaging continuously on issues of material concern to NEC. Climate risks are considered in the context of the broader legal, financial, regulatory and other risks that are integrated into NEC’s investment decision-making.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

The process described above to identify and assess climate-related risks informs the development of an asset-specific environmental Action Plan for every acquisition made by one of NEC’s funds. This is handed over by the ESG and Investment teams to the construction, operation and asset management teams for implementation. The issues identified are monitored throughout the project lifecycle and preventive and remedial actions are taken to address material topics as they arise.

(2) Describe how this process is integrated into your overall risk management

Please see response to (A, 2) above.

(C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

(A) Exposure to physical risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - https://cdn.next1.nextenergycapital.com/next/2024/02/2022_NEC-TCFD_ISSB-S2_Report_Final.pdf

(B) Exposure to transition risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - https://cdn.next1.nextenergycapital.com/next/2024/02/2022_NEC-TCFD_ISSB-S2_Report_Final.pdf

(C) Internal carbon price

(D) Total carbon emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - https://cdn.next1.nextenergycapital.com/next/2024/02/NextEnergy_Group_Sustainability-Report.pdf

(E) Weighted average carbon intensity

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - https://cdn.next1.nextenergycapital.com/next/2024/02/2022_NEC-TCFD_ISSB-S2_Report_Final.pdf

(F) Avoided emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - <https://cdn.next1.nextenergycapital.com/next/2024/04/Annual-Green-Impact-Report-NPIII-2023-2024.pdf>

(G) Implied Temperature Rise (ITR)

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

(I) Proportion of assets or other business activities aligned with climate-related opportunities

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

https://cdn.next1.nextenergycapital.com/next/2024/02/2022_NEC-TCFD_ISSB-S2_Report_Final.pdf

(J) Other metrics or variables

(K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

(1) Metric disclosed

● (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

https://cdn.next1.nextenergycapital.com/next/2024/02/2022_NEC-TCFD_ISSB-S2_Report_Final.pdf

(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

(1) Metric disclosed

● (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

https://cdn.next1.nextenergycapital.com/next/2024/02/2022_NEC-TCFD_ISSB-S2_Report_Final.pdf

(C) Scope 3 emissions (including financed emissions)

(1) Indicate whether this metric was disclosed, including the methodology

(1) Metric disclosed

● (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

https://cdn.next1.nextenergycapital.com/next/2024/02/2022_NEC-TCFD_ISSB-S2_Report_Final.pdf

(D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

● (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities

(B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)

Specify:

NEC is a supporter of the ISSB Sustainability Standard and published its first TCFD Report prepared in accordance with the ISSB S2-Climate-related Disclosures and for the first time this year. NEC's listed solar fund, NextEnergy Solar Fund (NESF), also voluntarily published its FY 2023-24 Sustainability and ESG Report in accordance with the ISSB S1 and S2 standards in 2024.

NEC reported against GRESB for the first time in 2023 and again in 2024, covering the same reporting period as this PRI benchmark assessment. NEC also became a forum member of the Taskforce on Nature-related Financial Disclosures (TNFD) in 2022, and was announced as one of the Early Adopters in March 2024.

NEC has been a sponsor and supporter since the inception of the Solar Stewardship Initiative (<https://www.solarstewardshipinitiative.org/>). As part of this, NEC is a signatory of the Solar Stewardship Initiative Joint Industry Endorsement Statement. It is also a signatory of the Solar Energy UK Supply Chain Statement, the Solar Energy Industries Association's (SEIA) Forced Labor Prevention Pledge.

- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method

- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
- Explain how these activities were conducted:

A key focus for NEC during the last year has been addressing the risk of social and human rights abuses in solar supply chains. NEC has developed a detailed approach to screening and engaging with key supply chain partners, such as solar panel and battery manufacturers, in response to concerns about the sustainability of their operations. This includes engaging with solar industry peers to identify and manage human rights risks, commissioning third-party audits, and supporting the work of trade associations, regulators, NGOs, and other third-party experts to drive best practice across the industry. A detailed description of our approach to responsible sourcing is available at <<https://cdn.next1.nextenergycapital.com/next/2024/07/NextEnergy-Capital-SupplyChainSustainability-July-2024.pdf>>. The document should be read in the context of the NEC Human Rights Position Statement available at <https://cdn.next1.nextenergycapital.com/next/2023/07/NextEnergy-Capital-Human_Rights_Statement_July2023.pdf> and the other Sustainability Policies outlined elsewhere in this UN PRI reporting submission.

NextEnergy Group's Head of ESG is a member of the coordination group of the industry-led responsible sourcing programme, the Solar Stewardship Initiative, and the Group's ESG Associate was elected Chair of the Solar Energy UK Responsible Sourcing Steering Group in August 2023.

Additionally, the due diligence approach that is always carried out pre-investment includes an in-depth review of all local stakeholders, the associated impacts of the asset and the opportunities the investment can provide. Where there is a potential risk, or local community that is at risk of negative impacts from the potential investment, we will conduct further in-depth analysis and carry out a risk assessment. The next step in the due diligence process is to recommend mitigations and re-assess the risk, providing an indication of residual risk. This approach allows NEC to understand all of the various social risk types, from stakeholder considerations such as local jobs for the community, to larger Free Prior and Informed Consent (FPIC) considerations.

Where we identify a stakeholder near to a potential investment or the opportunity to engage positively, this is captured in an Action Plan – which forms part of the Investment Proposal for the Investment Committee – and progressed appropriately by the Asset Manager post-acquisition. Where relevant, we will hire (and have hired) third-party stakeholder engagement specialists and engage directly with the community to identify and provide additional benefits and build positive relationships.

(B) We assessed whether individuals at risk or already affected might be at heightened risk of harm

Explain how these activities were conducted:

Please see response to (A).

(C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

Explain how these activities were conducted:

In addition to the supply chain considerations detailed in response to (A) above, as our investments are subject to due diligence from all aspects of ESG, stakeholder engagement requirements are identified early on in the investment process. As per NEC's Sustainable Investment Policy, we perform an enhanced due diligence for solar assets where there could be adverse negative impacts on Indigenous People and minorities, and to ascertain whether "FPIC" was sought during a project's development phase. This commitment is strengthened in our Human Rights Position Statement. As an example, during the due diligence conducted pre-acquisition for project Travesía in Chile (part of the NextPower III ESG Portfolio), our ESG team learnt of the Diaguita Huillanco Community living near the Project. We immediately requested evidence from the seller of a consultation process and that FPIC was sought in the early stages of the asset's development. The team concluded that this evidence was satisfactory to proceed with the acquisition and has since been working with the same specialist community consultant employed by the developer to maintain a sense of continuity with the Community and build a long-term, trusted and positive relationship. During the FPIC meeting, 5 points were agreed between the Community and the seller. These agreements were based on mutual consent and reflected good faith commitments the seller and future project owner should follow to reduce Travesía's negative impacts and enhance its positive ones. NEC took onboard the agreements in full and duly communicated the commitment to uphold them to the Community.

(D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

Specify:

NextEnergy Group Head of ESG was a member of the coordination group of the industry-led responsible sourcing programme, the Solar Stewardship Initiative, in 2023, and was appointed to its inaugural Board in 2024. The Group's NEC ESG Associate was elected Chair of the Solar Energy UK Responsible Sourcing Steering Group in August 2023.

Explain how these activities were conducted:

- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

(A) Workers

Sector(s) for which each stakeholder group was included

- (1) Energy**
- (2) Materials**
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(B) Communities

Sector(s) for which each stakeholder group was included

- (1) Energy**
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(C) Customers and end-users

(D) Other stakeholder groups

Specify:

In the reporting year, suppliers were included when identifying and taking action on the actual and potentially negative outcomes for people connected to investment activities.

Sector(s) for which each stakeholder group was included

- (1) Energy**
- (2) Materials**
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

(A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

All of the sources we have selected in response to this Indicator feed into the proprietary solar PV module supplier assessment tool which NEC has developed to assess the risk of negative outcomes for people potentially associated with the solar supply chain, which is the key risk we have identified in relation to this topic.

The tool was developed in 2022/23 and integrates publicly available information into the assessments it generates, as well as manufacturer responses to a detailed due diligence questionnaire and interviews. It was updated in 2023/24 and has informed the development of similar work to assess battery energy storage system suppliers. We will continue to evolve it to consider other key components. The assessment includes an examination of product and material origins; working practices; human rights standards; and, environmental and emissions profiles, such as the carbon intensity of manufacturing processes. Every potential transaction is assessed for supply chain risks relating to negative outcomes for people connected with our investment activities.

(B) Media reports

Provide further detail on how your organisation used these information sources:

Please see details in (A).

(C) Reports and other information from NGOs and human rights institutions

Provide further detail on how your organisation used these information sources:

Please see details in (A). We also use academic reports from reputable 3rd party sources, such as university academic research materials.

(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

Provide further detail on how your organisation used these information sources:

Please see details in (A).

(E) Data provider scores or benchmarks

Provide further detail on how your organisation used these information sources:

Please see details in (A).

(F) Human rights violation alerts

(G) Sell-side research

(H) Investor networks or other investors

Provide further detail on how your organisation used these information sources:

Please see details in (A).

(I) Information provided directly by affected stakeholders or their representatives

Provide further detail on how your organisation used these information sources:

With reference to the answer to PGS 49, to date NEC has already implemented one of the five agreements with the Diaguita Huillanco community in Chile: to conduct skills-based workshops to stimulate income generation through activities such as ceramics and gastronomy, considering the interests and priorities of the Community. In addition, NEC has prepared a dedicated Stakeholder Engagement Plan with an associated grievance mechanism which highlights the main features and opportunities of the project and grants the community a direct channel of communication with the Project owner.

(J) Social media analysis

(K) Other

INFRASTRUCTURE (INF)

POLICY

INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 1	CORE	OO 21, OO 29, OO 30	N/A	PUBLIC	Investment guidelines	1 to 6

What infrastructure-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to each infrastructure sector and geography where we invest
- (B) Guidelines on our ESG approach to greenfield investments
- (C) Guidelines on our ESG approach to brownfield investments
- (D) Guidelines on pre-investment screening
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to ESG reporting
- (H) Guidelines on our engagement approach related to the workforce
- (I) Guidelines on our engagement approach related to third-party operators
- (J) Guidelines on our engagement approach related to contractors
- (K) Guidelines on our engagement approach related to other external stakeholders, e.g. governments, local communities, and end-users
- (L) Our responsible investment policy(ies) does 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	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

PRE-INVESTMENT

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3	CORE	OO 21	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 ESG materiality at the asset level, as each case is unique
 - Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
 - (B) We performed a mix of industry-level and asset-level ESG materiality analyses
 - (C) We assessed ESG materiality at the industry level only
 - (D) We did not conduct ESG materiality analysis for our potential infrastructure investments

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 ESG materiality analysis
- (B) We used SASB standards to inform our infrastructure ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our infrastructure ESG materiality analysis
- (D) We used the GRESB Materiality Assessment (RC7) or similar to inform our infrastructure ESG materiality analysis
- (E) We used the environmental and social factors detailed in the IFC Performance Standards (or similar standards used by development finance institutions) in our infrastructure ESG materiality analysis
- (F) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our infrastructure ESG materiality analysis
- (G) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our infrastructure ESG materiality analysis
- (H) We used geopolitical and macro-economic considerations in our infrastructure ESG materiality analysis
- (I) We engaged with existing owners and/or managers (or developers for new infrastructure assets) to inform our infrastructure ESG materiality analysis
- (J) Other

DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

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

(A) Material ESG factors were used to identify risks

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(B) Material ESG factors were discussed by the investment committee (or equivalent)

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(D) Material ESG factors were used to identify opportunities for value creation

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(G) Material ESG factors did not influence the selection of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 5	CORE	OO 21	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 infrastructure investments?

(A) We conduct a high-level or desktop review against an ESG checklist for initial red flags

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments

- (3) for a minority of our potential infrastructure investments
- (B) We send detailed ESG questionnaires to target assets
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors
 - Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (D) We conduct site visits
 - Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (E) We conduct in-depth interviews with management and/or personnel
- (F) We conduct detailed external stakeholder analyses and/or engagement
 - Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal
 - Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (H) 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
 - Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (I) Other
 - (J) We do not conduct due diligence on material ESG factors for potential infrastructure investments

SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY OPERATORS

SELECTION PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 6	CORE	OO 30	N/A	PUBLIC	Selection process of third-party operators	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party operators?

- (A) We requested information from potential third-party operators on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party operators on how they manage material ESG factors
- (C) We requested information from potential third-party operators on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party operators on their responsible procurement and/or contractor practices, including responsibilities, approach, and incentives
- (E) Other
 - (F) We did not include material ESG factors in our selection of third-party operators

APPOINTMENT PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 7	CORE	OO 30	N/A	PUBLIC	Appointment process of third-party operators	1, 4

How did you include material ESG factors when appointing your current third-party operators?

- (A) We set clear and detailed expectations for incorporating material ESG factors into all relevant elements of infrastructure asset management

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

- (B) We set clear ESG reporting requirements

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

- (C) We set clear targets for material ESG factors

- (D) We set incentives related to targets on material ESG factors

- (E) Other

- (F) We did not include material ESG factors when appointing third-party operators

MONITORING PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 8	CORE	OO 30	N/A	PUBLIC	Monitoring process of third-party operators	1, 4

How do you include material ESG factors when monitoring current third-party operators?

- (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

- (B) We monitor the performance of quantitative and/or qualitative targets on material social factors

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

- (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors

- (D) We require formal reporting at least yearly

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

- (E) We have discussions about material ESG factors with all relevant stakeholders at least yearly

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(F) We conduct a performance review of third-party operators against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors

(G) We have internal or external parties conduct site visits at least yearly

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators
- (3) for a minority of our third-party operators

(H) Other

(I) We do not include material ESG factors in the monitoring of third-party operators

POST-INVESTMENT

MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9	CORE	OO 21	INF 9.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your infrastructure investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(D) We did not track KPIs on material ESG factors 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 KPIs on material ESG factors you tracked across your infrastructure investments during the reporting year.

(A) ESG KPI #1

GHG emissions

(B) ESG KPI #2

GHG emissions avoided (CO2e, NOx, SOx, PM2.5, PM10)

(C) ESG KPI #3

Fossil fuel emissions and fossil fuel emissions avoided

(D) ESG KPI #4

Water usage and recycling

(E) ESG KPI #5

Number of sites under biodiversity management plans

(F) ESG KPI #6

Area of habitat restored

(G) ESG KPI #7

Gender diversity

(H) ESG KPI #8

Health and safety incidents

(I) ESG KPI #9

Module manufacturers subject to ESG due diligence

(J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10	CORE	OO 21, OO 30	INF 10.1	PUBLIC	Monitoring	1, 2

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

- (A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance
- (B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessments and analyses
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (C) We implement certified environmental and social management systems across our portfolio
- (D) We make sufficient budget available to ensure that the systems and procedures needed are established
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (E) We hire external verification services to audit performance, systems, and procedures
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (F) We collaborate and engage with our third-party operators to develop action plans
 - Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments
- (G) We develop minimum health and safety standards
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (H) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (I) Other
 - (J) We do not have processes in place to help meet our targets on material ESG factors for our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10.1	PLUS	INF 10	N/A	PUBLIC	Monitoring	1, 2

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

(A) Process one

During the reporting year, NEC also significantly enhanced its ESG due diligence approach. This new approach expands on the existing ESG integration within NEC's investment process, as set out on the Sustainable Investing page of our website: <https://www.nextenergycapital.com/sustainability/sustainable-investing/>. The additions and evolution to our ESG due diligence includes:

1)The modification of the first step in the due diligence – ESG Screening – which now expands beyond the Excluded Activities detailed in our Sustainable Investment Policy and thus allows us to collect more detailed information at an earlier stage. 2) A revision of the due diligence questionnaire so that it now also captures more nuanced geographical specificities in solar PV projects, such as:

- a deeper dive into land use (e.g., tenant farming);
- the integration of geospatial information system (GIS) into the pre-acquisition assessment process through the appointment of a dedicated internal GIS data analyst;
- a further breakdown of climate risk factors in accordance with the TCFD framework;
- lessons learned from previous engagements across all of the managed funds; and,
- further community engagement lines of investigation.

3) The tool used to combine and assess the screening and due diligence now includes a new risk matrix, and generates a risk rating (pre-mitigation) and a separate residual risk rating (post-mitigation).

4) The tool used directly forms the basis for the ESG Action Plans which are produced to ensure that all projects are brought in line with NEC's ESG standards – as set out in our Sustainable Investment Policy – and are included in the ESG Memo which is part of the Investment Proposal for the Investment Committee.

The Action Plan covers the project lifetime – starting from construction (where applicable), to operation, decommissioning and divestment.

(B) Process two

NEC is committed to being at the forefront of efforts to proactively promote sustainable sourcing within the solar industry. To this extent, during the reporting year, we developed a robust and holistic responsible sourcing approach which is based on three principles, one of which is to carry out comprehensive due diligence. This due diligence is fully integrated into the broader tried-and-tested investment process and benefits from a proprietary solar PV module supplier assessment tool. In 2023, the due diligence process was strengthened and expanded to include engineering, procurement and construction contractors, in an push to improve the understanding of material ESG risks in our operations. Due to the ongoing expansion of our operations to storage assets, we have also extended our due diligence procedures to capture battery manufacturers, based on an extensive ESG research project. More details about NEC's rigorous supply chain due diligence process can be found in our Responsible Supply Chain document:

<https://www.nextenergycapital.com/sustainability/sustainable-investing/supply-chain/>. NEC also carries out detailed engagement with our supply chain partners and works towards the wider solar industry's aim of accelerating sustainable and ethical sourcing globally.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 11	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

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

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

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(B) We adjust our ESG action plans based on performance monitoring findings at least yearly

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(C) We, or the external advisors that we hire, support our infrastructure investments with specific ESG value-creation opportunities

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(D) Other

- (E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 12	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe how you ensure that material ESG risks are adequately addressed in the infrastructure investments where you hold a minority stake.

We hold a majority stake in all of our infrastructure investments and all investments are subject to the same ESG risk and opportunity review and process.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 13	PLUS	OO 21	N/A	PUBLIC	Monitoring	2

Describe how your ESG action plans are defined, implemented and monitored throughout the investment period.

- Action Plans are developed during the detailed due diligence approach that takes place at the pre-investment phase. Identified risks and the associated mitigations, and asset opportunities are captured within the due diligence and used to populate a separate (but connected) Action Plan. Monetary estimates are also captured at this stage as relevant. Within the Action Plan, dedicated responsible parties are nominated to own and progress each action depending on the phase/stage of the investment and the asset-specific situation.

- The outcome of the due diligence is then presented in an ESG Memo which forms part of the Investment Proposal to the Investment Committee (IC).

- Following successful approval from the IC, handover meetings with the relevant personnel are carried out.

NextEnergy Group's ESG team and NEC's Portfolio Management teams are present throughout. Timings, method of application and other relevant discussion points are covered in these handover meetings. The Action Plan items are then accepted by the relevant party and progressed.

- Assurance of delivery against the Action Plan is addressed and provided through formal and regular meetings and discussions with the Asset Manager, and can also include site visits, audits (internal or third-party) and disclosures.

- Regular meetings with the Asset Manager are also carried out to ensure that the Action Plan remains valid over time and reflects the current state of ESG standards and commitments, as dictated by NEC's Sustainability Policies, evolving regulation and asset-specific needs.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14	CORE	OO 21	INF 14.1	PUBLIC	Monitoring	1, 2

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

(A) We assign our board responsibility for ESG matters

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(B) We ensure that material ESG matters are discussed by our board at least yearly

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

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

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority 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)

Select from dropdown list

- (1) for all of our infrastructure investments

- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments
- (E) We support the asset by finding external ESG expertise, e.g. consultants or auditors
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (F) We share best practices across assets, e.g. educational sessions and the implementation of environmental and social management systems
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (G) We apply penalties or incentives to improve ESG performance in management remuneration schemes
- (H) Other
- (I) We do not ensure that adequate ESG-related competence exists at the asset level

STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 15	PLUS	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

How do you ensure that appropriate stakeholder engagement is carried out during both due diligence for potential investments and the ongoing monitoring of existing investments?

Targeted and effective engagement with stakeholders is an essential part of NEC's Sustainable Investment strategy.

Pre-investment, the robust due diligence approach that is applied on all investment opportunities ensures that appropriate stakeholder identification has been carried out and meets recognised IFC Performance Standards and Equator Principles, as well as applicable local regulatory requirements. If the stakeholder identification approach is not satisfactory, further works or requests are made to ensure that this is rectified. A review of existing engagement done with the relevant stakeholders is carried out and includes an assessment of the approach taken by landowners to engage with the local community and councils in which the proposed asset resides.

For solar assets where there could be adverse negative impacts on Indigenous People and minorities, we perform an enhanced due diligence to ascertain whether Free Prior Informed Consent (FPIC) was sought during the project's development phase. Mitigation measures and opportunities are captured in the Action Plan which is passed onto the asset manager post-acquisition.

During ownership, the assets are monitored by NextEnergy Group's asset manager, WiseEnergy, which applies and maintains the Action Plans with NEC. Assurance and update meetings are regularly carried out to review progress.

EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 16	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

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

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company
- (F) Key ESG performance data on the asset or portfolio company being sold
- (G) Other
- (H) No responsible investment information was shared with potential buyers of infrastructure investments during the reporting year
- (I) **Not applicable; we had no sales process (or control over the sales process) during the reporting year**

DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 17	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) **We reported through a publicly-disclosed sustainability report**
- (B) **We reported in aggregate through formal reporting to investors**
- (C) **We reported at the asset level through formal reporting to investors**
- (D) **We reported through a limited partners advisory committee (or equivalent)**
- (E) **We reported at digital or physical events or meetings with investors**
- (F) **We had a process in place to ensure that reporting on serious ESG incidents occurred**
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited
- (G) Infrastructure
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

Provide details of the internal audit process regarding the information submitted in your PRI report.

An internal audit of the responsible investment processes and key metrics disclosed in NEC's 2023 UN PRI report submission has been conducted to ensure data quality and reliability.

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent**
 - Sections of PRI report reviewed
 - (1) the entire report**
 - (2) selected sections of the report
 - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year