

NextEnergy Group Climate Position Statement

Version 02: November 2024

Introduction

NextEnergy Group is on a mission to generate a more sustainable future by leading the transition to clean energy. As a mission-driven organisation, the Group pursues positive sustainability outcomes to shape a more prosperous future for people and nature.

Climate change poses both physical and transitional risks for countries, communities, businesses and individuals alike. It is a primary driver of nature loss, with implications for geopolitics, social cohesion and economies. It is only by recognising these interdependencies that we can achieve the more prosperous future for people and nature envisioned by the **UN 2030 Agenda for Sustainable Development**.

The **2015 Paris Agreement** sets out the goals and targets to limit the temperature increase to 1.5°C above pre-industrial levels¹. It marks the beginning of the shift towards achieving net zero emissions by 2050. Meeting these goals requires a tripling of renewable energy capacity and a doubling of energy efficiency by the end of this decade. Crucially, renewable energy is not only an economic and effective way to mitigate climate change, but also one which ensures shared prosperity.

Scope

[NextEnergy Group](#) is a specialist investment and asset manager active in the development, operation and financing of renewable energy infrastructure assets. We refer to these assets and their complementary technologies, including energy storage, as **Solar+**.

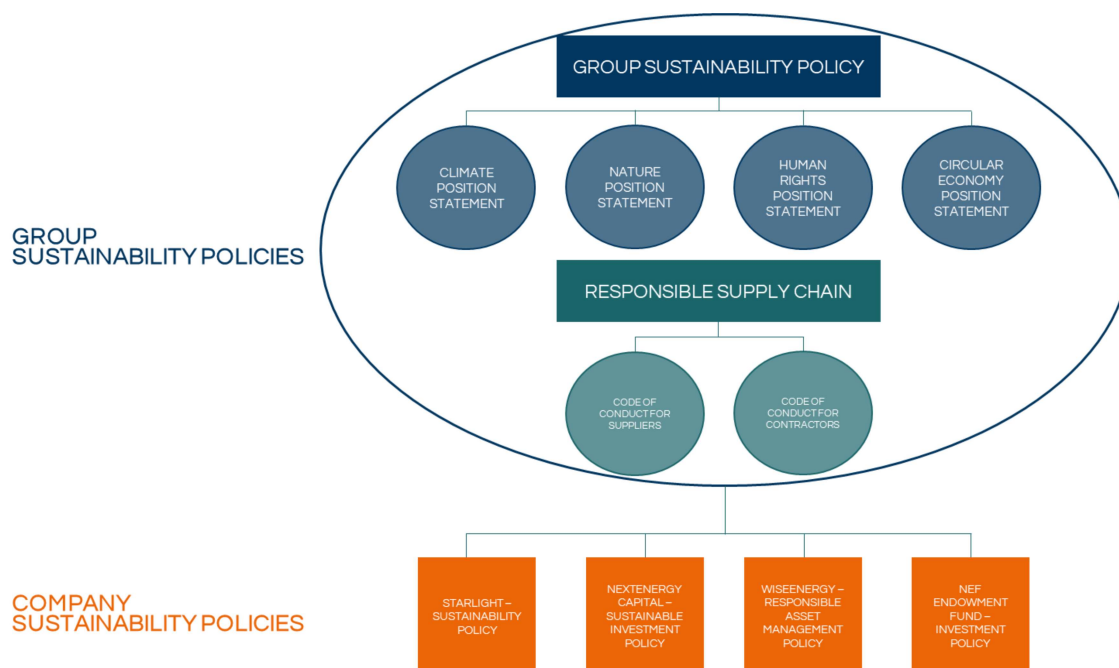
The Group comprises five companies: **Starlight** (asset development), **NextEnergy Capital** (investment management, **NEC**), **WiseEnergy** (asset management), **NextSTEP** (VC sustainability accelerator) and **NextEnergy Foundation** (international charity). Our approach to sustainability is holistic and forward-looking: we recognise and mitigate climate-related and broader ESG risks, and identify and leverage improvement opportunities.

This Climate Change Position Statement (the **Statement**) applies to NextEnergy Group's companies, and the Principles and Commitments set out in it extend to all of our business partners.

Governance

NextEnergy Group's sustainability and Environmental, Social and Governance (**ESG**) activities are governed by a suite of Sustainability Policies, as illustrated in the figure below. Our Climate Position Statement stems from NextEnergy Group's Sustainability Policy and supplements the sustainability policies and procedures specific to each Group company's independent specialist business activities.

¹ United Nations (2015), *Paris Agreement* <[ADOPTION OF THE PARIS AGREEMENT - Paris Agreement text English \(unfccc.int\)](#)>



The corporate governance structure of the NextEnergy Group is intended to give all stakeholders confidence in its trustworthiness, fairness and transparency. The Head of ESG is responsible for ensuring adherence to the Group’s Sustainability Policies, including this Climate Position Statement, and executive decision-making on sustainability and ESG issues. The position reports to the Group’s CEO and Founding Partner. In line with the **Task-Force on Climate-Related Financial Disclosures (TCFD)**, the Head of ESG sits on the NextEnergy Group Risk Committee, overseeing climate-related risk and broader ESG risks associated with all of the Group’s business activities.

NextEnergy Group has a Climate Lead who is responsible for overseeing the implementation of the Group’s Climate Transition and Net Zero Plan (see *Implementation*). The Group CEO, the Head of ESG, and the Climate Lead consult with the independent leadership committees for each of NextEnergy Group’s companies, benefiting from the expertise of senior professionals across the energy, finance, construction and procurement, portfolio and asset management and environmental sectors. This range of experience ensures the effective governance of the Group’s climate commitments, as set out in this Position Statement.

Objectives

NextEnergy Group’s core business activities are focused on generating climate-related positive impacts through the avoidance of carbon emissions. By operating across five continents and investing solely in renewable energy and complementary technologies, we are in a strong position to contribute to global efforts to reduce greenhouse gas emissions.

We have set ourselves a number of objectives in order to advance progress towards the goals set out in the Paris Agreement. The ultimate aim is to facilitate investing to achieve net zero emissions on a global scale.

- **Investment Strategy** – Starlight, NextEnergy Capital and WiseEnergy have robust procedures to identify, assess, prioritise, and manage climate-related risks and opportunities throughout their development and investment activities, respectively. We aim to ensure that all our assets meet our climate risk standards – which are aligned with local ESG regulations and international standards, such as the [Equator Principles](#) and [IFC Performance Standards](#) – and that they advance best practices related to climate risk mitigation and opportunity identification.
- **Nature** – NextEnergy Group recognises the nature-related interdependencies of our business activities and the need to tackle the challenges to nature and climate synergistically. Our commitments to deliver nature-positive outcomes aligned with the **Task Force on Nature-Related Financials Disclosures (TNFD)** framework are detailed in our Nature Position Statement. We are determined to demonstrate that mitigating climate change and restoring nature can be intertwined to more sustainably decarbonise the power generation sector.
- **Supply Chain** – Climate-related physical risks can disrupt supply chains. NextEnergy Group has developed a decarbonisation dependency map. We have also developed a dedicated climate risk assessment – both physical and transitional – using the **Task-Force on Climate-Related Financial Disclosures (TCFD)/International Sustainability Standards Board (ISSB) S2** recommendations to assess the emissions profile of our solar PV and battery storage supply chains and climate-related risks. Our objective is to enhance the resilience and sustainability of NextEnergy Group’s sourcing activities. We are not only working proactively to accelerate *our* pathway to net zero, but also to support our suppliers to accelerate their own pathways.

Implementation

Parties to the Paris Agreement which was adopted at the **UN Climate Change Conference (COP21)** in 2015 agreed to:

1. Pursue efforts to limit global warming to 1.5°C above pre-industrial levels; and,
2. Adapt to adverse impacts of climate change and foster resilience.

NextEnergy Group is implementing this Climate Position Statement through a **Climate Transition and Net Zero Plan** (herein, the **Plan**). The Plan is time-bound and establishes how we will adapt our business to meet with, or exceed, the latest and most ambitious climate science recommendations. The ultimate aim is to contribute to achieving the goals and targets of the Paris Agreement. Our Plan is aligned with the **UK Transition Plan Taskforce (TPT) framework** and the recognised international frameworks to which the TPT makes reference, such as the **TCFD**, **ISSB** and the **Glasgow Financial Alliance for Net Zero (GFANZ)**.

Climate-related science-based targets will be set to abate our short-term and long-term emissions at the corporate level, as well as across our construction- and operational-based emissions, and those embedded in our supply chain. The targets will be supported by a Science-Based Target, to be validated by the Science Based Targets Initiative (**SBTi**).

For NextEnergy Group, becoming carbon neutral at the Group level is one of the first steps in our net zero ambition. The Group level excludes the financed emissions from NextEnergy

Capital's funds. Since 2022, we have calculated the Group's annual Scope 1, 2 and 3 emissions² with the support of an independent third-party advisor. We are committed to offset these emissions with verifiable offsets to achieve carbon neutrality.

Transparency and Reporting

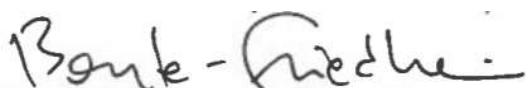
Transparency and disclosure are crucial in order to certify that standards are being upheld and accountability has been established. NextEnergy Group is committed to pioneer sustainability disclosures through transparency in our climate transition approach and performance against the targets we have set ourselves. We continue to strengthen our internal systems, policies, and processes to ensure the reliability of our climate-related performance data. Our learning is ongoing and informs our science-based and evidence-led approach which showcases how to take responsibility in global decarbonisation efforts to our stakeholders and peers. NextEnergy Group's climate-related disclosures align with the following frameworks:

- [International Sustainability Standards Board \(ISSB\) Standards](#), which were established by the **International Financial Reporting Standards (IFRS) Foundation** to stimulate a comprehensive global baseline of sustainability disclosures focused on the needs of investors and the financial markets. The ISSB Standards superseded the **TCFD**, which was disbanded in November 2023. NextEnergy Group has voluntarily aligned its climate change risk and positive impact disclosures with the TCFD and the ISSB's S2 standard.
- [EU Sustainable Finance Disclosure Regulation \(EU SFDR\)](#) and [Taxonomy](#) reporting requirements, whereby all of NextEnergy Capital's funds are classified as Article 9 because of their substantial contribution to climate change mitigation. NEC reports on its contribution to climate change mitigation under the EU SFDR through performance indicators related to carbon emissions and carbon footprint. All disclosures can be found on [NEC's website](#).
- [The UN Principles of Responsible Investment \(UN PRI\)](#), an investor initiative which NextEnergy Capital has been a Signatory of since 2016. The UN PRI's voluntary Six Principles dictate that ESG and climate issues be incorporated within investment analysis and decision making, as well as into the Group's active ownership practices through WiseEnergy.

² Excluding financed emissions from NEC's funds

Review and Approval

This Climate Position Statement has been reviewed and approved by the NextEnergy Group Leadership Team, and signed by the CEO. It is effective from November 2024 and is re-evaluated and amended as appropriate from time to time.



Michael Bonte-Friedheim

Chief Executive Officer and Founding Partner
NextEnergy Group

Version Control

Version	Reason for update	Date of release	Initials
01	Initial version of Climate Position Statement – NextEnergy Capital level	November 2023	MBF
02	Updated and moved to NextEnergy Group level	November 2024	MBF