

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: NextPower UK (“NPUK” or “the Fund”)
Legal entity identifier: 2138008DMF2DKL4ZQV66

Sustainable investment objective

Did this financial product have a sustainable investment objective?



Yes



It made **sustainable investments with an environmental objective: 90.3%**



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It made **sustainable investments with a social objective: ____%**



No



It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent was the sustainable investment objective of this financial product met?

NPUK is a solar investment fund, which is currently active in the acquisition of solar PV assets on the secondary market, and in investing in solar PV assets that are under development (at the stage of origination, project planning or construction) when acquired.

The NPUK sustainable investment objective is:

- To generate a more sustainable future by leading the transition to clean energy.

This fund objective contributes to the Article 9 qualification under “economic activities that qualify as environmentally sustainable under the EU Taxonomy¹” and more specifically, qualifies as:

- contributing substantially to climate change mitigation.

Monitoring progress against the sustainable investment objectives is primarily based on the calculation of GHG emissions and fossil fuel volume avoided by utilization of the fund’s portfolio of solar assets and their output in MW. Data can be used to create forecasts or can be based on actual historic power output data to provide GHG emission and fossil fuel avoided figures.

The Investment Adviser is also developing its work to quantify the impact of potential NPUK biodiversity commitments, with a view to including this information in future reports as part of the Fund’s contribution toward climate change mitigation. The Investment Adviser sees nature-related impact as a strategic risk management issue and is an inaugural Taskforce on Nature-related Financial Disclosures (TNFD) Early Adopter.

● *How did the sustainability indicators² perform?*

The table reports historical performance indicators (i.e. CO₂e avoided) up to the current reporting year.

| Metric | Units | 2022 | 2023 | 2024 |
|-------------------------|----------------------------------|------|------|------|
| GHG Avoided | ktCO ₂ e | 3 | 37 | 44 |
| NO _x Avoided | tonnes | 3 | 38 | 81 |
| SO _x Avoided | tonnes | 5 | 68 | 19 |
| PM _{2.5} | tonnes | <1 | 3 | 10 |
| PM ₁₀ | tonnes | <1 | 1 | 15 |
| Fossil Fuels avoided | kilotonnes oil equivalent (ktoe) | 1 | 19 | 14 |

¹ Regulation (EU) 2020/852 of European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, OJ L 198, 22.6.2020, p. 13-42.

² **Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

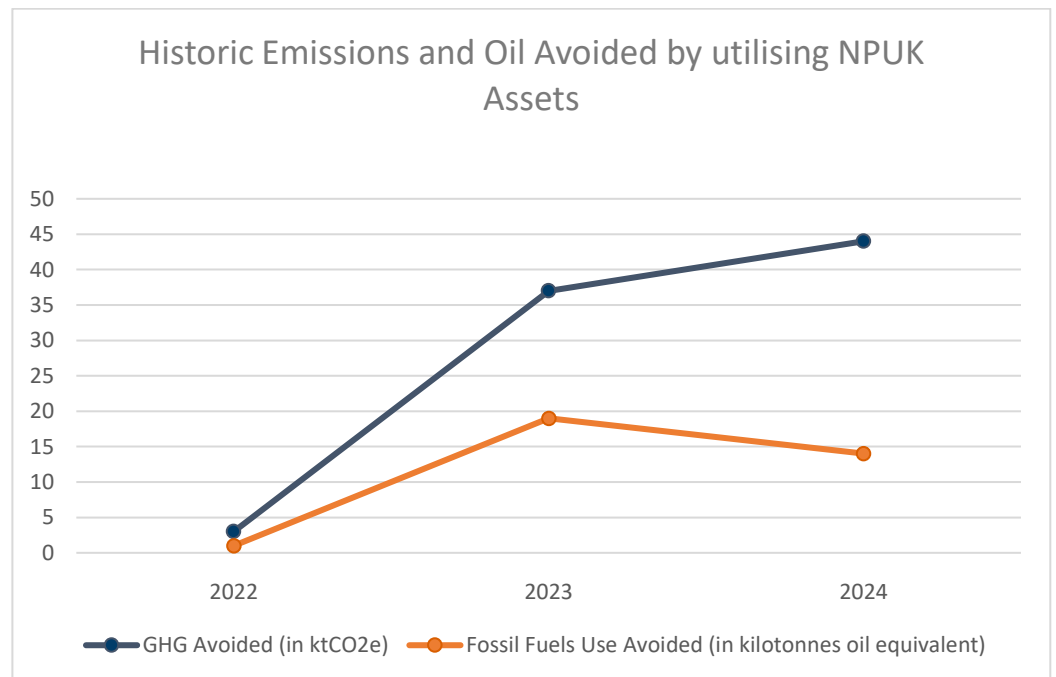
The performance indicators are based on the renewable electricity generation (GWh) for the period of the 2024 calendar year (1st Jan 2024 to 31st Dec 2024) during which NPUK assets were operational.

As indicated in the table, 44 ktCO₂e of emissions and 14 ktoe were avoided in 2024. It is fully expected that, as existing and/or newly acquired assets begin to generate electricity, these figures will increase within the next reference period.

● *...and compared to previous periods?*

Historical figures are provided in the table below. As demonstrated, NPUK continues to contribute towards climate mitigation through emissions avoided.

Note: the mild decrease in the Fossil Fuel Avoided year on year is primarily due to change in methodology used.



● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

NPUK's investment decision making process ensures that investments do not only contribute to climate objectives, but also cause no significant harm to other environmental objectives as defined by the EU Taxonomy and are

conducted in accordance with minimum safeguards on matters such as social responsibility, human rights and labour conventions. A robust due diligence process captures all the relevant key risks associated with the Solar PV industry. The risks are aligned with the Do No Significant Harm (DNSH) approach of the Taxonomy (with extension beyond) and include:

- Climate change;
- Circular economy;
- Biodiversity and ecosystems.

In the event that any risks were identified, these were captured/recorded and either mitigated or the transactions were halted and not progressed.

From a climate change mitigation perspective, NPUK substantially contributes to the objective by avoiding CO₂e emissions to the atmosphere and fossil fuel use.

For more information on the NextEnergy Capital/NPUK due diligence process, please refer to the ESG Disclosure document on the [NextEnergy Capital website](#).

— — *How were the indicators for adverse impacts³ on sustainability factors taken into account?*

NPUK invests only in solar PV assets and ancillary technologies, and the investment decision is based on the outcome of due diligence which includes ESG adverse impacts as explained above. The due diligence process, as detailed in the Sustainable Investment Policy, NextEnergy Capital's ESG Disclosure document, and the policies underlying these, reviews all aspects of the asset(s) and counterparties (sellers, contractors, and suppliers) and the associated adverse impacts (including environmental, social and employee, human rights, anti-corruption and other impacts) during the pre-investment stage. When gaps are identified, mitigation measures are proposed, and action plans are agreed during the approval process. The cost to implement mitigation measures and other ESG action is allocated into the financial model, to ensure capital can be deployed for these activities during the lifetime of the asset.

Post-acquisition, all relevant contractors which construct or operate the asset are requested to provide ESG Key Performance Indicators (KPIs) These include information on resource consumption, Scope 1, 2, and 3

³ **Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

greenhouse gas emissions, health and safety, biodiversity, diversity, and other relevant ESG indicators. A full set of KPIs related to the EU PAIs has been developed consistent with the requirements of Table 1, Annex 1 of the Regulatory Technical Standard (RTS). The performance against these indicators will be released as part of the end of year financial disclosures.

For operational assets, the NPUK asset manager, WiseEnergy, manages PAI data collection from Operations & Maintenance contractors, with the data reviewed by a third-party provider. WiseEnergy also provides regular updates on the implementation of the ESG Action Plans to ensure that each asset continues to comply with all relevant national and other requirements, and to be aligned with the NextEnergy Capital Sustainable Investment Policy.

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. NextEnergy Capital/NPUK has a strong Sustainable Investment Policy and Human Rights Position Statement aligned with the associated requirements of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles. NPUK policies require NPUK to perform due diligence on both its own activities and its business relationships with the objective of acting upon any findings.

For more information, please refer to the Human Rights Position Statement on [NextEnergy Capital's website](#), and related documents such as the [NextEnergy Capital Responsible Supply Chain Approach](#).



How did this financial product consider principal adverse impacts on sustainability factors?

Principal Adverse Impacts (PAI) are considered throughout all stages of the investment process.

As per the Sustainable Investment policy and other governing documents, NPUK's sustainability approach is based on a four-step approach: identify, manage, report and engage. If, during a due diligence process, a PAI is identified, it is managed and reported internally to the Investment Committee for further consideration. Where possible, mitigation actions are put forward through specific action plans which are implemented and monitored during the ownership phase. In addition, NPUK reports on specific KPIs which are aligned with Table 1 of Annex I of the Regulatory Technical Standard, as well as additional KPIs with material SDG.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Further details on the reporting and KPI approach can be found in the ESG Disclosure document on the [NextEnergy Capital website](#).



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

| Largest Investments | Sector | % Assets | Country |
|---------------------|----------|----------|---------|
| Solar PV Assets | Solar PV | 90.3% | U.K. |

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1st of January 2024 - 31st December 2024



What was the proportion of sustainability-related investments?

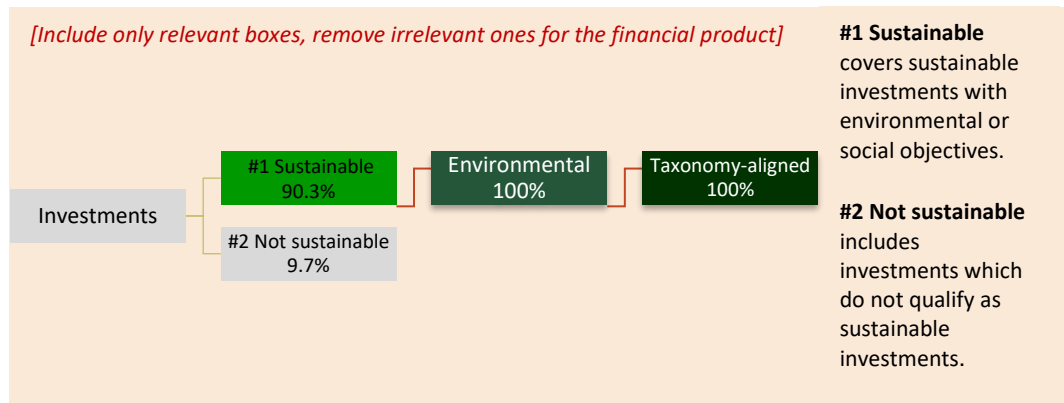
At the date of publication of this Annex V, the portfolio allocation of the Fund was:

- 90.3% of the Fund's NAV was sustainability related. All of this investment is aligned with the EU Taxonomy;
- 9.7% of the Fund's NAV was held in cash, bank deposits and other cash equivalents for liquidity purposes, hence classified as "non sustainable".

Note that the Fund only began deploying capital into investments in Q4 2022 and so not all capital had been allocated at 31.12.24. Once fully deployed, at least 95% of capital available will be deployed in line with the sustainable investment objective of the Fund.

● What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



● *In which economic sectors were the investments made?*

The investments were made in the renewable energy sector.



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?⁴

100% of the sustainable investment with an environmental objective made by NPUK is aligned with the EU Taxonomy because i) it substantially contributes to climate mitigation through the generation of clean energy and avoidance of GHG emissions and fossil fuel; ii) it does not do significant harm to the other environmental objective of the taxonomy and iii) it meets minimum social safeguards.

- a) The investment objective of climate mitigation was 100% attained through the generation of clean energy. In particular, the performance of the sustainability indicator, GHG emissions avoided, has been accounted for and reported annually. The objective of climate mitigation remains the core business of the Fund's investments and 100% of asset allocation is for investment in renewable energy infrastructure.

⁴ Taxonomy-aligned activities are expressed as a share of:

- (i) **turnover** reflecting the share of revenue from green activities of investee companies;
- (ii) **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy; and
- (iii) **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The relevant legislation does not provide a definition of "*investee company*", however, we have interpreted this term as intended to refer to an entity in which the relevant fund intends to make an investment, or has made an investment, on behalf of its investors, which would include the SPV which owns each asset.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

- b) Each NPUK investment has to undertake a due diligence process pre- and post-investment which ensures that No Significant Harm is caused to any other environmental objective considered material to the activity of the fund (solar PV generation). These other objectives are climate change adaptation, biodiversity and circular economy.
- c) The due diligence process considers additional safeguards, including human rights, community engagement, and labour conditions. The due diligence process is in alignment with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and other international conventions on human rights, as per NextEnergy Capital's Human Rights Position Statement.

- Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy⁵?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

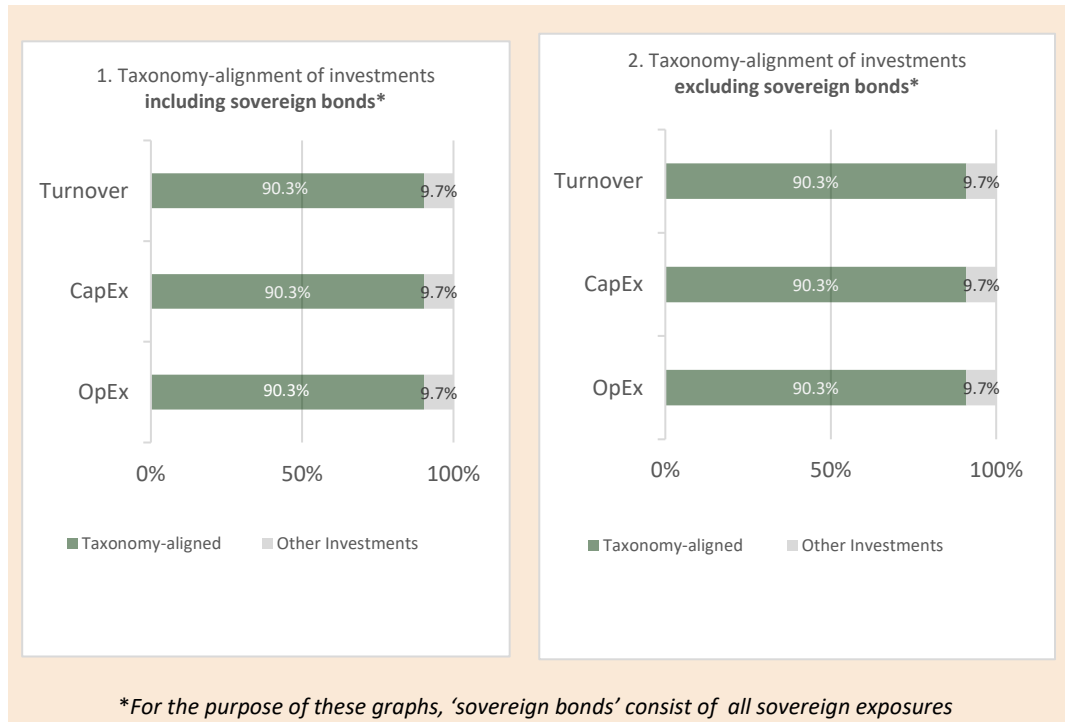
☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

⁵ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover**
reflecting the share of revenue from green activities of investee companies
- **capital expenditure**
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**
(OpEx) reflecting green operational activities of investee companies.



All of the investment represented by the 90.3% indicated in the graph is EU Taxonomy-aligned as at the date of publication of the present version of Annex V.

- *What was the share of investments made in transitional and enabling activities⁶?*

0%

- *How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?*

All sustainable investments of the fund were aligned with the EU Taxonomy and this continues to be the case.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

0%



None of our investments are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

⁶ **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective, while **transitional activities** are activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



What was the share of socially sustainable investments?

0%



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The investments of the Fund classified as “not sustainable” are primarily composed of cash and cash-equivalents which are held within highly credit rated institutions. Minimum environmental or social safeguards are therefore not applicable.



What actions have been taken to attain the sustainable investment objective during the reference period?

NPUK’s objective to substantially contribute to climate change mitigation is met by producing clean sustainable energy and therefore reducing the amount of fossil fuel used to meet energy demand, along with avoiding greenhouse gas and other emissions to air that would arise as a result. The commitment of the fund to continually invest and increase the amount of clean energy generation ensures its contribution to climate mitigation.

Due diligence is carried out to identify any potential risk and ensure that the investment is aligned with the Do No Significant Harm criteria. This includes the review and consideration of climate adaptation, circular economy and biodiversity issues. In addition, the due diligence covers additional safeguards, aligned with the requirements of the OECD guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human rights, which form part of the business principles of NPUK, as set out in its policies and position statements.

Key indicators, such as GHG emissions avoided and fossil fuel avoided, are used to track and ensure continued progress against the climate mitigation objective. These indicators, along with annual performance against them, will be detailed in a NPUK emissions avoided report, which will be available on the **NextEnergy Capital website**. Progress on key indicators is also discussed through internal and external stakeholder meetings as required.



How did this financial product perform compared to the reference sustainable benchmark?

NPUK has not designated a specific index as a reference sustainable benchmark.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective

- *How did the reference benchmark differ from a broad market index?*

N/A

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

N/A

- *How did this financial product perform compared with the reference benchmark?*

N/A

- *How did this financial product perform compared with the broad market index?*

N/A

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