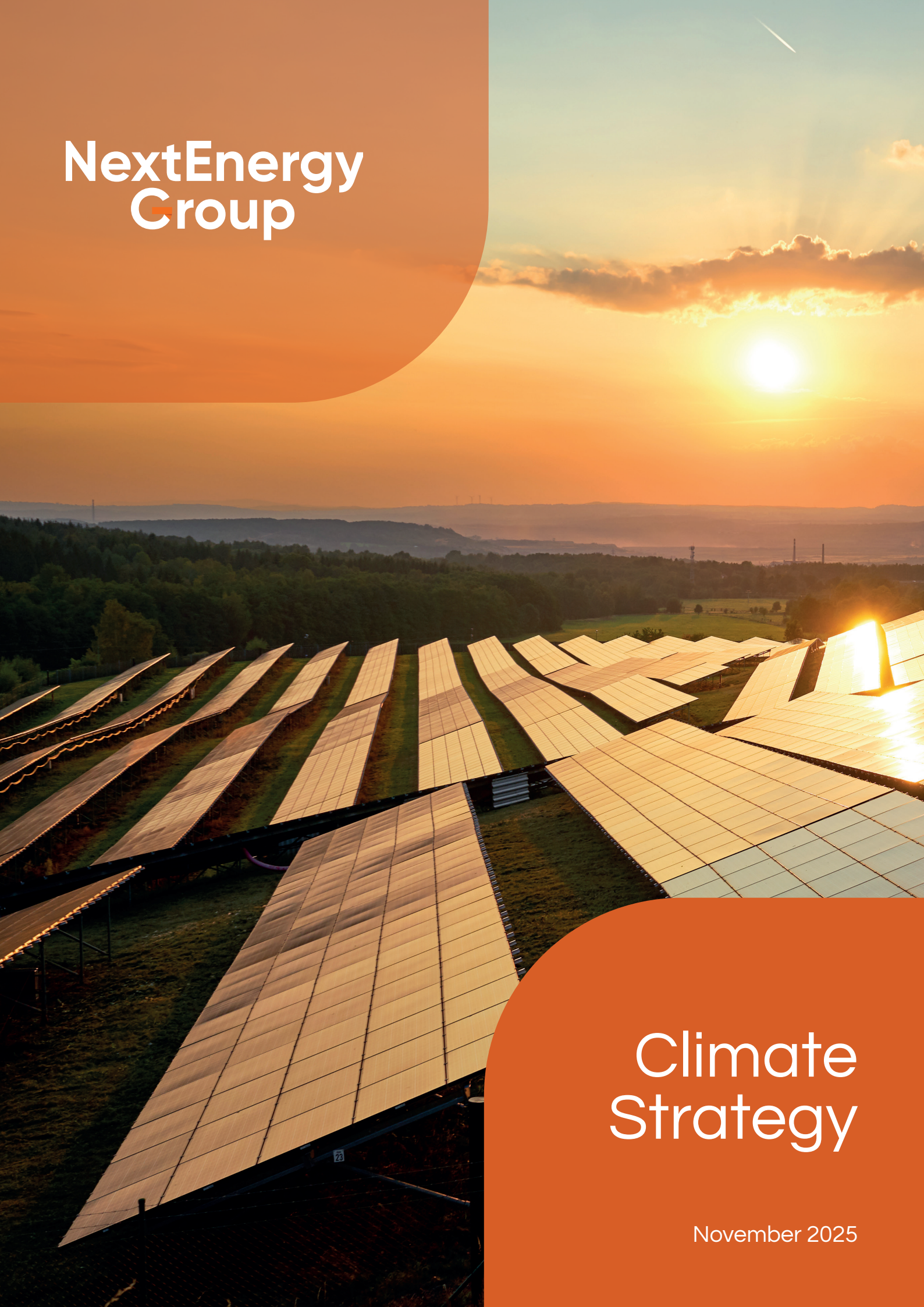


An aerial photograph of a vast solar farm with rows of photovoltaic panels stretching across a green field. The sun is low on the horizon, creating a warm, golden glow and reflecting off the panels. In the background, there are rolling hills and some industrial structures under a sky with scattered clouds.

NextEnergy Group

Climate Strategy

November 2025



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Acknowledgements



Author:
Flavia Galdiolo,
Senior Associate, ESG



Communications:
Claudia Abelli, Group Head of
Communications and Branding

chalk
Design:
Chalk Design

Preface

NextEnergy Group was founded in 2007 to become a leading market participant in the international solar sector. NextEnergy Group comprises five entities: Starlight (asset development), NextEnergy Capital (investment management), WiseEnergy (asset management), NextSTEP (VC sustainability accelerator) and NextEnergy Foundation (international charity).

Climate change poses physical and transitional risks for countries, communities, businesses and individuals alike. The **2015 Paris Agreement** sets out the goals and targets to limit the temperature increase to 1.5°C above pre-industrial levels, which is needed to avert the worst impacts of climate change.¹ It marks the beginning of the shift towards achieving net zero emissions by 2050. Renewable energy is key to this shift.

NextEnergy Group’s mission is to generate a more sustainable future by leading the transition to clean energy. Since our inception, we have driven forward our mission by developing, financing and owning solar PV assets across multiple jurisdictions. As the energy transition accelerates, we are developing and enhancing our capabilities in other renewable energy technologies, such as wind and battery energy storage, across the Group’s three core companies: Starlight, NextEnergy Capital and WiseEnergy.

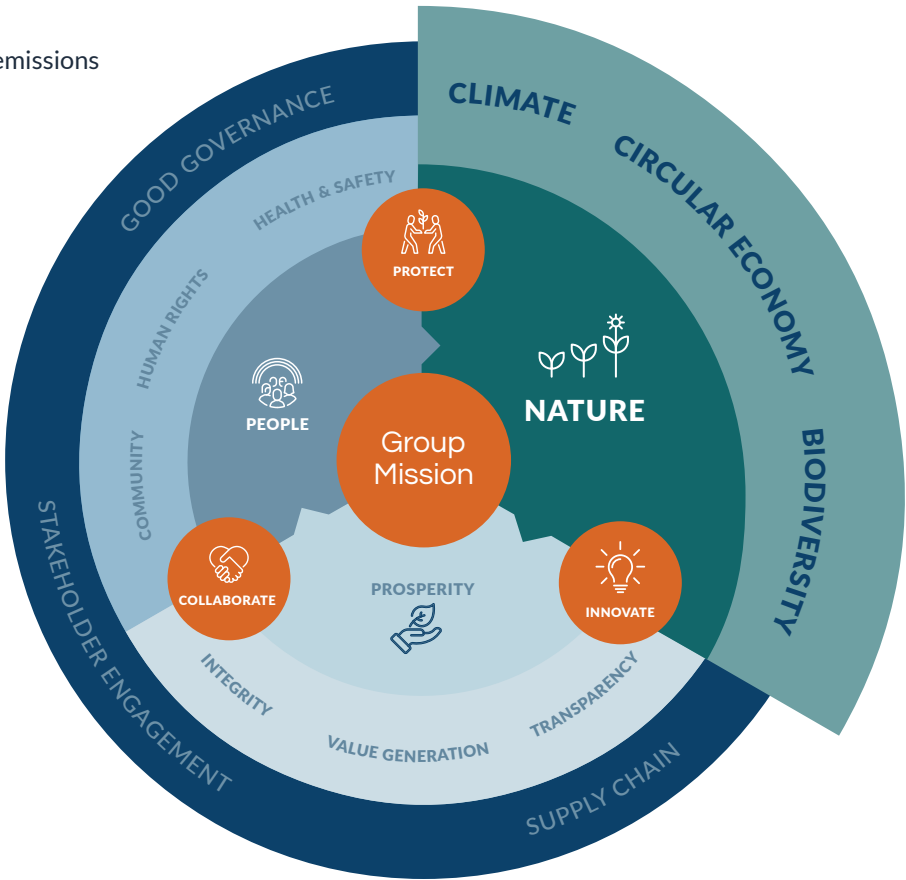
After nearly 20 years of avoiding carbon emissions and positively contributing to the energy transition, we are presenting **NextEnergy Group’s Climate Transition and Net Zero Strategy** (henceforth, **Climate Strategy** or **Strategy**).

The Strategy is a forward-looking articulation of how we will further enhance our climate-related positive impacts while strengthening our resilience in an ever-changing environmental, social, regulatory and economic landscape. It does not serve as a formal disclosure; rather, it is a foundational document that establishes how we will continue on our journey of being a critical enabler of a low-carbon future.

Our approach is aligned with emerging global standards, such as the **Task Force on Climate-Related Financial Disclosures (TCFD)**, the **International Financial Reporting Standards (IFRS)** and the **Transition Plan Taskforce (TPT)**. The Climate Strategy will ensure that we are well-prepared to meet future climate-related disclosure requirements and to address climate-related risks and opportunities in a more structured and transparent way. This will ultimately contribute to the resilience and long-term success of NextEnergy Group.

As the Group’s activities evolve into new renewable energy technologies, we will develop and expand our Climate Strategy to continue leading the transition to renewable energy and the broader sustainable investment sphere.

Please refer to the **Glossary** for definitions of specific terms used in this document.



¹ United Nations (2015), *Paris Agreement*, available at https://unfccc.int/sites/default/files/english_paris_agreement.pdf

Foreword

Climate change is a profound, systemic challenge. It is a primary driver of nature loss, with implications for geopolitics, social cohesion and economies. Mitigating climate change is not simply a climatic imperative. It is a strategic necessity for national security, social equity and long-term sustainability.

Progress has been made since the first climate treaty in 1992, the **UN Framework Convention on Climate Change (UNFCCC)**. Yet despite the Framework’s ambition, greenhouse emissions continue to rise, bringing average global surface temperatures up with them. Urgent, more effective action is needed to avoid and reduce emissions – globally.

Renewable energy is key to this action. At NextEnergy Group, we have been harnessing the power of solar since our inception in 2007. In 2024, we energised our first standalone battery energy storage asset, Camilla (50MW), a technology which is enabling us to amplify our positive climate impacts. With over 4GW of renewable energy capacity internationally across the Group and an additional 11GW of projects under development the time of publication², we have learned a lot on our journey as a critical enabler of the low-carbon transition.

We have learned that renewable energy is both an economic and effective way to mitigate climate change. We have learned that it enhances energy independence and lowers electricity costs to ensure shared prosperity. Most importantly, we have learned the value of sharing lessons from our experience to promote a holistic approach to climate change mitigation, nature protection and community development. After all, we know from our Group Values that **Being a Leader** is not a position or a rank; it is the desire to pave a path for others to follow.



Launching this **Climate Transition and Net Zero Strategy (or Climate Strategy)** represents an important milestone for NextEnergy Group. The world may be grappling to manage the competing demands of the Energy Trilemma³, but we are not deterred. Our track record of supporting nations to meet growing energy demands with affordable, clean energy places us in a strong stead to continue creating value for our business, our stakeholders, and our planet.

NextEnergy Group’s Climate Strategy raises our ambition from leading the transition to clean energy to catalysing the broader transformation of energy systems. Ensuring the most prosperous future possible for people and nature demands this transformation. Guided by our Strategy, we will continue building on NextEnergy Group’s inherent alignment with global climate goals. We will further strengthen our operational resilience. We will drive change, bringing all our stakeholders on the journey with us. Because our future is now. NEXT is Now.

Michael Bonte-Friedheim
Founding Partner and Group CEO



² November 2025
³ World Energy Council (2025), *World Energy Trilemma Framework*, available at <https://www.worldenergy.org/transition-toolkit/world-energy-trilemma-framework>

Climate Ambition

BACKGROUND Why does climate change matter?

The world faces a deepening climate crisis. Warming exceeded 1.5°C above pre-industrial averages for the first time in 2024,⁴ and there is an 80% chance that at least one year between 2025-2030 will surpass it.⁵ Our economy and well-being depend on a stable, self-regulating climate. Our future prosperity is at risk without one.

In 1992, the United Nations put forth the first treaty to explicitly address climate change: the UNFCCC. This treaty gave rise to the **Kyoto Protocol** in 1997 and the **Paris Agreement** in 2015. The Paris Agreement is the most comprehensive climate treaty to date with legally binding targets for all countries to limit the temperature increase to 1.5°C above pre-industrial levels. Yet, the call for more ambitious policy action, investment shifts, and adaptation efforts continues to grow.

In response, governments are setting out commitments and implementing regulation to achieve global decarbonisation goals. Financial market participants are also escalating their engagement efforts to drive these developments: they are engaging with governments to support enabling climate policy; they are engaging with regulators to create harmonised climate-related disclosure frameworks; and, they are engaging with corporates to encourage net zero emissions.

Urgent and decisive action is required to transition from a business-as-usual economy to a low-carbon one.

Climate change mitigation and adaptation offer new growth and resilience-building opportunities. Companies at the forefront of these efforts will be best placed to mitigate those system-wide risks which cannot be diversified away, and to continue generating long-term value in an era of increasing climatic uncertainty.

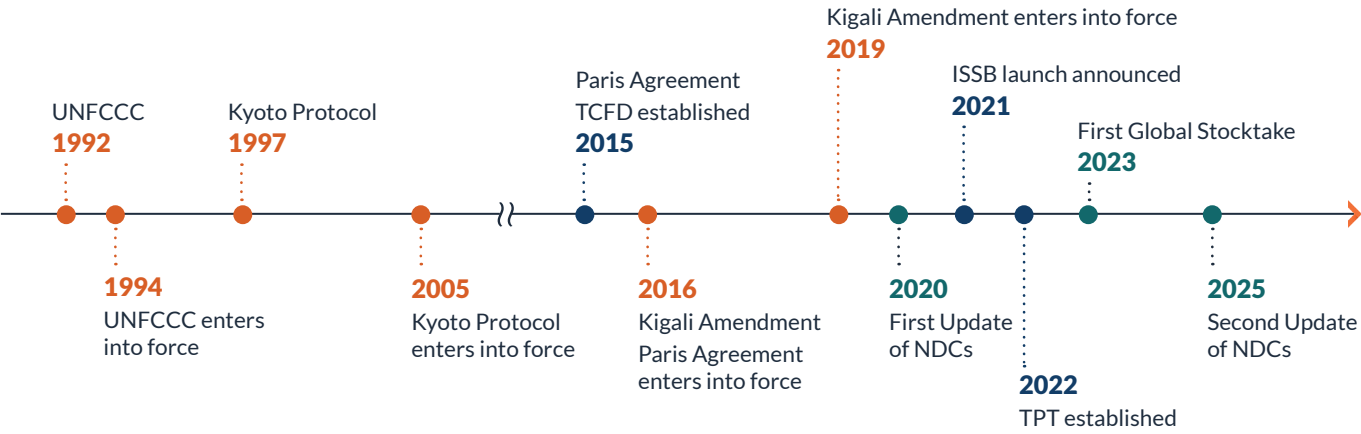
FOUNDATIONS Why does climate change matter for us?

Meeting the goals and targets of the Paris Agreement requires a tripling of renewable energy capacity and a doubling of energy efficiency by the end of this decade.⁶ This is the pledge made at the UNFCCC’s 28th **Conference of the Parties (COP)** in 2023.

Solar energy is the fastest growing renewable energy technology.⁷ It is not only a plentiful and sustainable source of energy; it is also the most economic and effective way to mitigate climate change whilst ensuring prosperity for people and planet.

We use the term **Solar+** to refer to solar PV and battery energy storage technologies. As a leading global renewables group focused primarily on the Solar+ infrastructure sector, NextEnergy Group has been at the forefront of climate action since 2007. Our track record places us in a strong position to continue capitalising on the opportunities presented by the energy transition, while managing the associated risks.

Timeline of major climate governance agreements and relevant disclosure frameworks to NextEnergy Group’s companies



⁴ Copernicus (2025, January 10), *Global Climate Highlights 2024: Copernicus: 2024 is the first year to exceed 1.5°C above pre-industrial level*, available at <https://climate.copernicus.eu/copernicus-2024-first-year-exceed-15degc-above-pre-industrial-level>
⁵ World Meteorological Organization (2025), *WMO Global Annual to Decadal Climate Update 2025-2029*, available at https://wmo.int/sites/default/files/2025-05/WMO_GADCU_2025-2029_Final.pdf
⁶ COP28 UAE (2023), *Global Renewables and Energy Efficiency Pledge*, available at <https://www.cop28.com/en/global-renewables-and-energy-efficiency-pledge>
⁷ International Energy Agency (2025), *World Energy Investment 2025*, available at <https://www.iea.org/reports/world-energy-investment-2025>

Our business model

For a large part of financial market participants, climate change is the driver of some of the most material systemic risks. For NextEnergy Group, climate change is the driver of our business model. By developing, financing and managing Solar+ assets, we are achieving more than attractive financial returns for our investors and clients; we are addressing the root cause of climate change-induced systemic risks to limit the extent of their future impacts – on people, nature and prosperity.

As avoiding carbon emissions to mitigate climate change is inherent to our business model, we are not faced with the trade-off between generating long-term value and generating positive sustainability outcomes. Since 2007, we have demonstrated that we can simultaneously create both – for our stakeholders and for the planet. Our [Group Sustainability Policy](#) details the principles and commitments which we integrate throughout the business to generate financial value responsibly.

We recognise that our corporate resilience to climate change does not exempt our Solar+ assets from being exposed to climate-related risks and opportunities. We seek to integrate considerations of these risks throughout our development, investment and asset management activities. By covering all stages of the solar value chain, our core Group companies – Starlight, NextEnergy Capital and WiseEnergy – are well-placed to support

governments and policymakers to overcome the Energy Trilemma. We are actively participating in global efforts to ensure a sustainable, secure and equitable energy transition.

As this transition accelerates, we are developing and enhancing our capabilities in other renewable energy technologies to ensure that we continue capturing emerging opportunities and delivering positive real world outcomes.

WHAT IS NEXT?

Why are we raising our climate ambition?

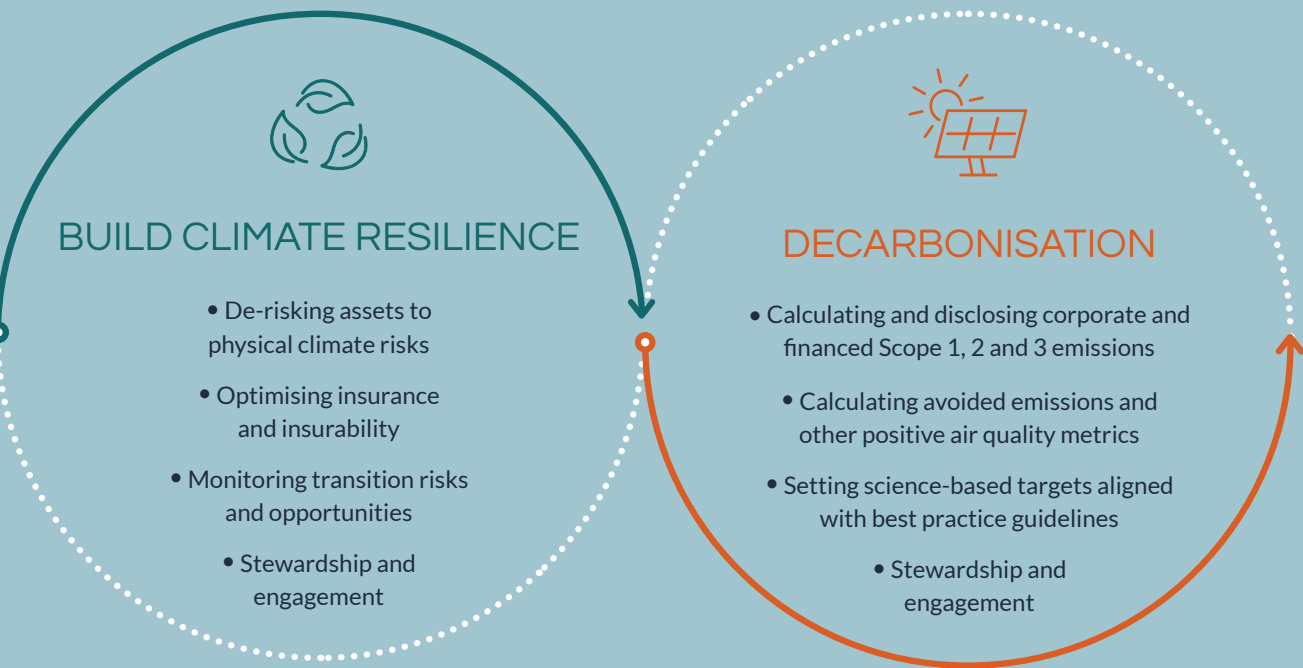
At NextEnergy Group, we believe that we are at an inflection point for a stable, secure and sustainable future. Renewable energy is no longer a choice for that future – it is an imperative.

This imperative is inherent to our mission – to generate a more sustainable future by leading the transition to clean energy. Still, the necessity and urgency of mitigating climate change as a driver of financially material, system-level risks continue to increase. We are therefore raising our climate ambition to match this.

We not only want to lead the transition to clean energy, but also to accelerate and secure it.

Renewable energy is no longer a choice for a stable, secure and sustainable future - it is an imperative. We are raising our climate ambition because we not only want to lead the transition to clean energy, but also to accelerate and secure it.

Our approach to achieving our climate ambition is two-fold: **to decarbonise our financed emissions**, by reducing the emissions from our investment activities, and **to secure the resilience of our Solar+ assets** to evolving physical and transition climate risks, including by capitalising on emergent value enhancement streams



Climate Action

The following section details how we are approaching the two tracks of our Climate Strategy: to secure asset resilience to climate risks and decarbonise our financed emissions to further enhance our net climate benefit.

CLIMATE RESILIENCE

Climate change presents financial risks to investments, but it also creates significant opportunities to enhance resilience. The risks and opportunities manifest in two distinct categories: physical and transition. We consider the impact of both categories on NextEnergy Group, our Solar+ assets and our value chain.

Physical climate risks and opportunities

Capital flows to renewable energy are already double those to fossil fuels, making renewable energy set to dominate electricity generation in future.⁸ At the same time, physical climate risks are increasing in frequency and severity. These risks are both acute, in the form of extreme weather events, and chronic shifts in climate patterns. They pose material risks to all forms of energy generation. Since physical climate risk levels are set to rise even if net-zero targets are met, action to secure the resilience of energy infrastructure is essential for a successful energy transition.

At NextEnergy Group, we adopt an integrated approach to assessing, mitigating and managing the implications of physical climate risks for our Solar+ assets. Our approach is aligned with the **Physical Climate Risk Appraisal Method (PCRAM)**⁹, which is the most robust practical guide for infrastructure investors, asset owners and operators to improve their resilience to physical climate risks.

PCRAM is also part of the **Climate Resilience Investment Framework (CRIF)**¹⁰, which was developed by the **Institutional Investors Group on Climate Change (IIGCC)** to offer investors a financial materiality lens through which to better manage physical climate risks.

By straddling the PCRAM and the CRIF, we aim to ensure that physical climate de-risking solutions are embedded across the asset lifecycle. The best practices imparted by the PCRAM and CRIF are bolstered by our teams' extensive technical expertise across the renewable energy infrastructure asset class, and that of our Engineering,

Procurement and Construction (**EPC**) and Operations and Maintenance (**O&M**) Contractors.

Insurance and insurability

The role of insurance has become ubiquitous in discussions about climate change. Insurance is essential to allow investment and credit to flow with confidence, which in turn is essential to meet the goals and targets of the Paris Agreement. Delivering resilience is necessary for insurability, which is in turn necessary to secure a successful energy transition.

In line with *Step 4: Value Enhancement* of the PCRAM, NextEnergy Group has an ongoing workstream to consider the value of insurance as a risk transfer mechanism through which to enhance the residual climate risk management of our Solar+ assets. We are increasingly engaging with the insurance industry to support collaborative efforts to embed resilience across the banking, insurance and finance ecosystem.

NATURE

We are acutely aware of the inextricability of the climate change and nature loss challenges. Climate change cannot be tackled without healthy and biodiverse ecosystems, which are under threat from rising global temperatures. **NextEnergy Group's Nature Strategy** establishes how we avoid and mitigate nature-related risks while seizing nature-related opportunities.

WiseEnergy implements site-specific resilience measures and responsible land management practices that enhance soil carbon sequestration potential while advancing the Group's **30x30 Nature Restoration target** across NextEnergy Capital's portfolios.

Nature Management Plans are put in place for all assets located in areas of high ecosystem integrity or biodiversity intactness. The Plans aim to mitigate impacts and restore biodiversity values on site, enabling us to simultaneously support carbon sequestration and habitat creation. Both of these are critical factors to mitigate physical climate risks.

Transition risks and opportunities

A complete transformation of the production and consumption of energy is required to reach net zero by 2050 and avert the worst physical climate risks. The nature, speed and scale of this transformation translates into changing policy and legal, technology, market and reputational dynamics. These are known as transition risks, as categorised by the **TCFD**.

The transition to a low-carbon future generally presents opportunities for renewable energy businesses. However, some risks remain, such as evolving subsidy regimes, technological innovations, changing investor expectations, and competitive market dynamics. We conduct a comprehensive annual analysis of the potential risks and opportunities of each transition category for our Solar+ assets and value chain. The analysis is tailored by jurisdiction and follows a financial materiality lens. Full details can be found in NEC's annual [Sustainability and ESG Report](#).

Given the uncertainty surrounding the future trajectory of the climate and energy transition, we conduct ongoing monitoring of the risks and opportunities identified, ensuring a proactive approach to adaptation and resilience.

Engagement and best practice

As one of the most formidable challenges of our time, addressing climate change demands broad systemic action. Such action can only be achieved through collaboration with all stakeholders.

We engage internally to leverage our teams' extensive engineering, procurement, construction, health and safety, and asset management expertise. This expertise is factored into our physical climate risk approach to enhance resilience across the asset lifecycle. It also informs our response to emerging transition risks and opportunities, and ensures that these are considered in our development, procurement and investment decision-making.

But our climate ambition is not only to lead the transition to clean energy, it is also to influence the Solar+ industry and broader sustainable investment sphere to accelerate efforts for a secure and resilient energy future. For this reason, we actively engage externally because we learn through our involvement in forums, associations and initiatives. This engagement also ensures that we keep abreast of emerging transition risks, thus strengthening our resilience to them. As an example, in June 2025 NextEnergy Capital was selected to join the **UN Principle for Responsible Investment's (PRI)** newly-launched Climate Reference Group to contribute to building investor awareness, capacity and interaction on climate adaptation and mitigation strategies. We are committed to using the knowledge we gain from these collaborations to continue refining our approach.

JUST TRANSITION

The transition to net zero is as much a social transition as an environmental one. Renewable energy empowers lives. Our people are crucial to delivering our mission and Sustainability Strategy, and are at the heart of NextEnergy Group's success. We are committed to taking people with us in the renewable energy transition because their ideas and wellbeing pave the path towards a more prosperous future.

Our [Human Rights Position Statement](#) sets out our commitment to respecting, promoting and protecting human rights in our own activities and throughout the Solar+ value chain. This is supported by our [Responsible Supply Chain approach](#), which includes NextEnergy Capital's [Code of Conduct for Suppliers](#), because we expect them to uphold the same business conduct principles as we do. We also work to sustain and grow the local communities in which our solar and energy storage assets operate, listening to their ideas to co-create positive outcomes. For more details, please refer to NextEnergy Group's annual [Sustainability Report](#).

⁸ International Energy Agency (2025), World Energy Investment 2025, available at <https://www.iea.org/reports/world-energy-investment-2025>

⁹ Mott MacDonald (2025), PCRAM 2.0, available at <https://www.mottmac.com/en-gb/insights/topics/pcram-the-industry-methodology-for-climate-resilient-infrastructure-investment/>

¹⁰ IIGCC (2025), Climate Resilience Investment Framework, available at <https://www.iigcc.org/hubfs/2025%20resources%20upload/IIGCC%20Climate%20Resilience%20Investment%20Framework%202025.pdf>

➤ We consider physical climate risks throughout the asset lifecycle and implement resilience-building measures where necessary and possible to protect the value of our assets over the long-term



SITE SELECTION AND ASSET DEVELOPMENT

NextEnergy Group's approach to climate resilience is governed by our [Climate Position Statement](#). It is implemented from the earliest stage of the asset lifecycle, starting with Starlight's [Sustainability Policy](#) establishes our principles and commitments to integrate climate considerations throughout the development phase. This includes continuously improving the identification and assessment of climate-related risks during the site selection process. Starlight's team members draw on the expertise of NextEnergy Group's technical, engineering and climate specialists to factor the outputs of this process resilient project designs, where necessary and feasible.

SCREENING AND DUE DILIGENCE

Prior to each acquisition, NEC conducts physical climate-related assessments considering long-term transition scenarios. The approach is the same for Starlight and NEC to ensure alignment across the Group. Full details about how these considerations are integrated into NEC's investment process are set out in NEC's [Sustainable Investment Policy](#).

NextEnergy Group's Head of ESG has voting rights in the Investment Committee for each of NEC's funds, which approve or reject acquisitions. This ensures that material climate risks and opportunities receive appropriate consideration from the Investment Committees to contribute to investment and resilience-building CAPEX decisions.



SUPPLY CHAIN AND CONSTRUCTION

Lifecycle emissions stem from the manufacturing, transportation, and installation of solar panels and other renewable energy infrastructure components. We have undertaken a detailed climate-related supply chain study. Based on the outcome, we are progressively integrating emissions considerations into our procurement processes, engaging with suppliers on carbon reduction efforts, and exploring lower-carbon materials and construction methodologies. Our construction-related activities are both for new assets and to upgrade, expand or repower existing assets in the middle of their lifecycles.

NextEnergy Group's ESG team works closely with NEC's Construction and Procurement team throughout the supplier and EPC selection process for new acquisitions, and with WiseEnergy's Alpha team for repowered sites. We evaluate climate criteria and integrate them into contractual arrangements and supplier selection decisions, where appropriate.

WiseEnergy supports on-the-ground implementation of climate-conscious construction practices.

OPERATIONAL ASSET MANAGEMENT

During the operational phase of assets, we apply the emerging ISSB framework to measure, manage, and disclose climate-related performance. A key area of focus is to continuously monitor and seek to reduce the carbon intensity of operations, enhance resilience measures, and optimise asset performance in varying climate conditions. This is enabled by the deep engineering expertise and practical knowledge of WiseEnergy's Technical and Project Delivery team members with whom NextEnergy Group's ESG team closely collaborates.

We produce annual reports disclosing each of NEC's funds' operational emissions, avoided emissions and progress toward emission reduction targets. We follow our [Avoided Emissions Methodology](#) to provide transparency on how we calculate and report on these metrics. We also undertake climate modelling and disclose our climate-related risk in NEC's annual [Sustainability and ESG Report](#).



DECOMMISSIONING

We take a forward-looking approach to asset end-of-life planning, adhering to circular economy principles that maximise material recovery and recycling. Solar panels, mounting structures, and electronic components contain valuable materials that can be reclaimed and reused, reducing overall lifecycle impacts while potentially creating additional value streams.

Assets in NEC's funds are either under construction, or in the early or middle stages of their operational lives. As such, governance mechanisms for eventual decommissioning are being established. Our Group Leadership Team will oversee the development of an end-of-life strategy, ensuring it advances the circular economy principle in NextEnergy Group's [Sustainability Framework](#) and minimises climate impacts.

DECARBONISATION

Achieving a net zero economy requires the decarbonisation of energy systems. The more renewable energy sources generate electricity, the more non-renewable energy sources are displaced, and the more fossil fuel combustion and emissions are avoided.

However, renewable energy assets are not exempt from generating induced emissions through their operations and value chain. Our emissions occur at two levels: corporate and financed. We follow the **GHG Protocol Corporate Standard**¹¹ to categorise these emissions. Descriptions of each category can be seen below. Our corporate emissions are Scope 1, 2 and 3 (Categories 1-14) and the financed emissions from NEC's funds are Scope 3 (Category 15). The latter can be further divided

into the funds' direct (Scope 1), operational (Scope 2) and value chain (Scope 3) emissions.

NEC's funds' financed emissions are the most material to our business. For example, in the baseline year from which we have set our decarbonisation targets (2024) NEC's financed emissions were over 3,000 times greater than NEC's corporate ones. Despite financed emissions being the most material emissions source for all financial institutions, they are often missing from corporate net zero plans.¹²



SCOPE 1

Direct emissions from owned or controlled sources

Emissions from equipment which is owned and operated by NextEnergy Group



SCOPE 2

Indirect emissions from purchased electricity

Emissions from electricity consumption at NextEnergy Group's offices



SCOPE 3 (CATEGORIES 1-14)

Other indirect emissions from corporate activities

Emissions from NextEnergy Group's business travel, employee commuting, purchased goods and services, and other corporate activities



SCOPE 3 (CATEGORY 15)

Financed emissions

Emissions from NextEnergy Capital's funds' operational activities and supply chain

Scope 1

Scope 2

Scope 3

¹¹ GHG Protocol (2004), The GHG Protocol: A Corporate Accounting and Reporting Standard, available at <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

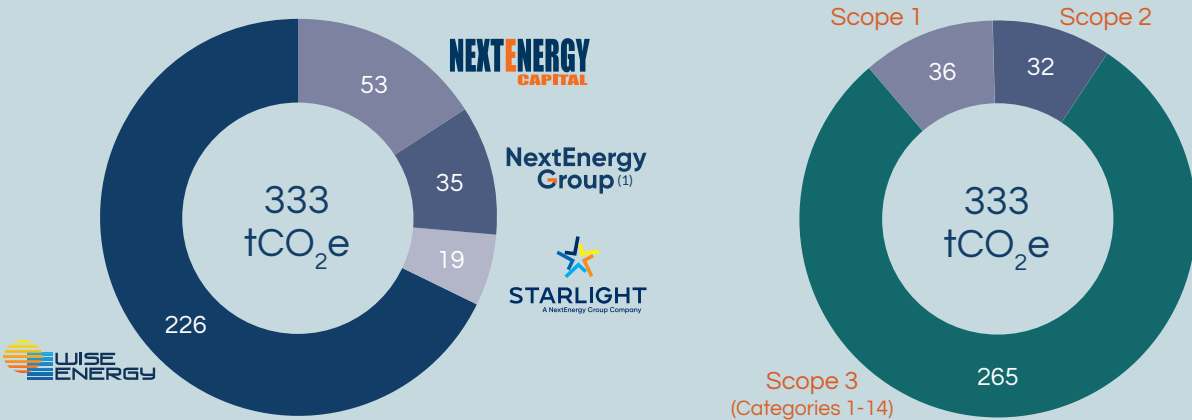
¹² S&P Global (2023, 20 January), Financed emissions are missing from many firms' net zero plans, available at <https://www.spglobal.com/esg/insights/financed-emissions-are-missing-from-many-firms-net-zero-plans>

NextEnergy Group's Emissions Sources

The figures on this page represent NextEnergy Group's emissions and the emissions avoided by NextEnergy Capital's funds between 1 January – 31 December 2024. This is the baseline year from which we have set our emissions reduction targets. Figures have been rounded to the nearest whole number.

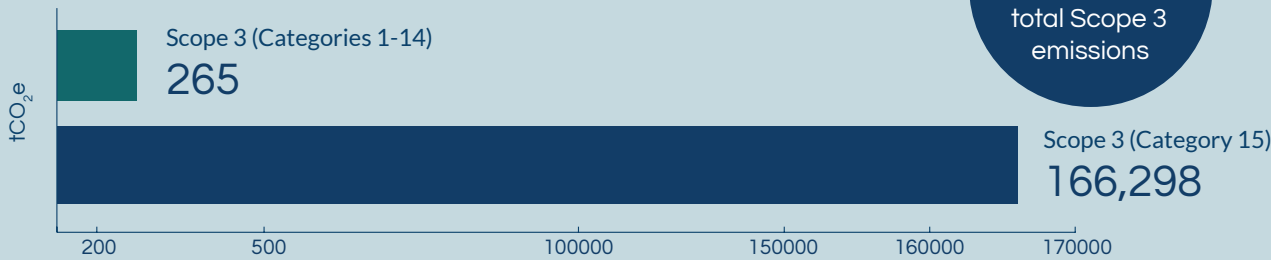
NextEnergy Group's Scope 1, 2 and 3 (Categories 1 - 14) emissions by company and by scope

Excluding the financed emissions from NextEnergy Capital's funds

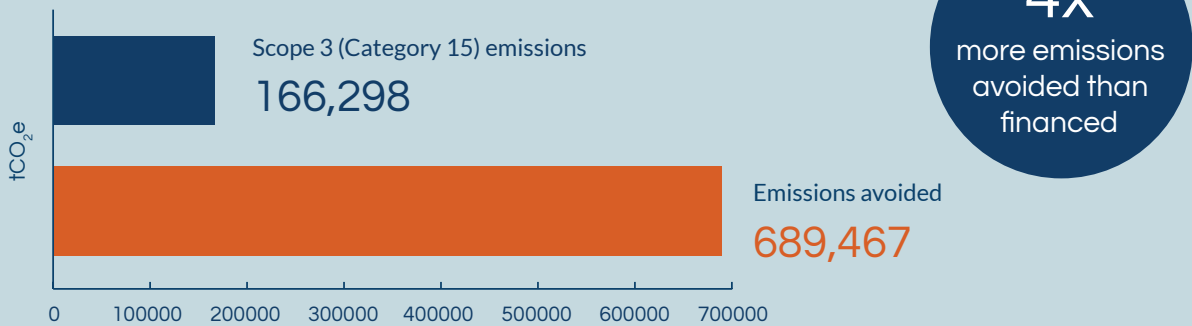


NextEnergy Group's total Scope 3 emissions (Categories 1 - 15)

Including the financed emissions from NextEnergy Capital's funds



NextEnergy Group's financed emissions versus avoided emissions



¹ Emissions generated by NextEnergy Group's Central Functions. These are our teams which operate across the Group's companies and provide tailored support to each company's business activities (e.g., ESG, Finance and HR).

At NextEnergy Group, we recognise our responsibility to abate our financed emissions and see this as an opportunity for us to further enhance our net climate benefit. For this reason, NextEnergy Capital has developed a [Climate Transition Plan](#) to converge our funds' emissions towards net zero by 2050. Our overarching approach is aligned with the **Science Based Targets Initiative's (SBTi) Financial Institutions Net Zero Standard** and we have set targets following the **SBTi's sector-specific pathways**.

The funds do not have financed Scope 1 emissions because they do not directly own or control any onsite generators or equipment that combusts fuel or refrigerants. As such, we have only set financed Scope 2 and Scope 3 emissions reduction targets for them. We have aligned the Scope 2 targets with the **SBTi's Power Sector Decarbonisation Approach**. These targets are intensity-based, which is best practice for Power sector. Instead, the financed Scope 3

targets follow the **TPT** guidance as at the time of publication of the Transition Plan,¹³ the SBTi does not have specific guidance for Scope 3 target-setting for the Power sector.

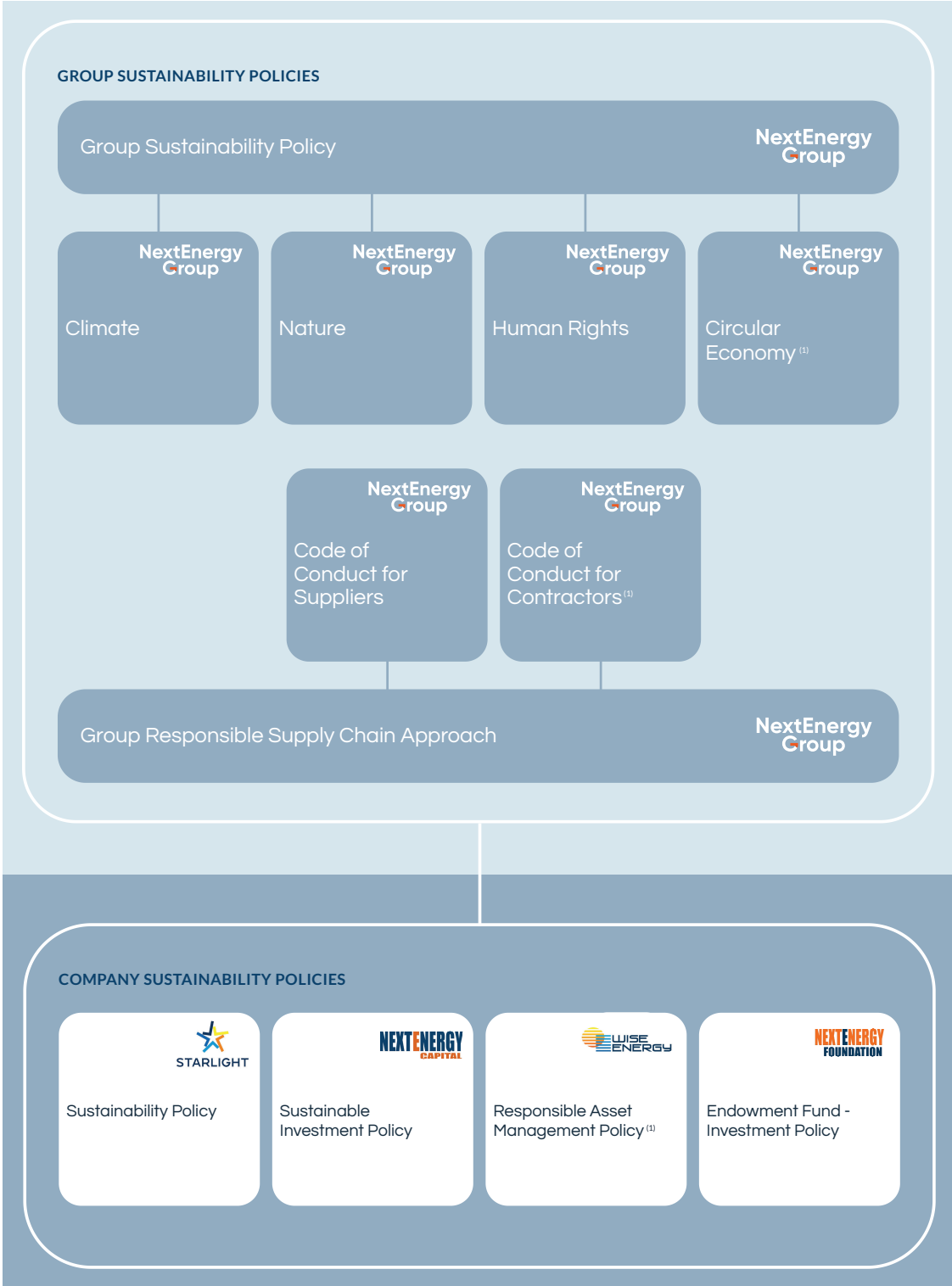
We follow the **mitigation hierarchy** (i.e., avoid, reduce, restore and only then offset) to address both our corporate and financed emissions. We have mapped our emissions reductions curves and regularly re-evaluate them to reflect the governance, behavioural, and technical interventions we implement on the ground. These curves will be disclosed in future updates of NEC's Climate Transition Plan. Where it is not feasible to reduce our emissions, we are committed to offsetting any residual with verifiable offsets to achieve carbon neutrality. Our offsetting approach supports [NextEnergy Group's Nature Strategy](#), extending the Group's nature positive vision beyond our direct operations. Please refer to NextEnergy Group's annual [Sustainability Report](#) for more details.

Climate Governance and Accountability

Corporate Governance

NextEnergy Group's ESG activities are governed by a suite of **Sustainability Policies**. Our climate-related principles and commitments are set out in a [Climate Position Statement](#). The Position Statement stems from the [Group's Sustainability Policy](#) and supplements the sustainability policies and procedures specific to each Group company's independent specialist business activities.

NextEnergy Group's Sustainability Policies



(1) At the time of publication of this Climate Strategy, NextEnergy Group's Circular Economy Position Statement and Code of Conduct for Contractors, and WiseEnergy's Responsible Asset Management Policy are under development, although they are already envisaged as part of NextEnergy Group's Sustainability Policies

NEC CLIMATE TRANSITION PLAN

A warming climate presents systemic risks which cascade down into society and the economy. Climate Transition Plans have emerged as vital tools through which to evolve business strategies to mitigate these risks and capture new value creation streams. NEC's financed emissions – those emissions associated with our funds' investment activities – represent the most significant emissions source for NextEnergy Group. The same is true for all financial institutions. For this reason, NEC's funds are targeting net zero by 2050, a target which is aligned with the **SBTi**. In November 2025, NextEnergy Capital published its first **Climate Transition Plan** as a forward-looking articulation of how it is positioning its funds to meet net zero, and to continue generating long-term financial returns within a low-carbon, climate resilient future. The Plan is aligned with the **TPT**, which represents the most credible and robust transition planning approach internationally.



The Group Head of ESG is responsible for ensuring adherence to the Group’s Sustainability Policies, including the 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 TCFD, the Group 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. Additionally, NextEnergy Group has a Climate Lead who is responsible for overseeing the implementation of our Climate Strategy and ensuring that climate risks and opportunities are adequately considered in each of the Group’s business activities.

The Group CEO, the Group Head of ESG, and the Group 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, engineering, portfolio and asset management, and environmental sectors. This range of experience ensures the effective governance of our climate ambition and action.

Full details of our climate-related and sustainability corporate governance are detailed annually in NEC’s climate and broader sustainability-related financial disclosures. These disclosures have been aligned with the TCFD recommendations since 2022. In 2023, they were expanded and published in accordance with the ISSB Sustainability Disclosure Standards: S1 (General Requirements) and S2 (Climate-related) Disclosures. In 2024, we further evolved the disclosure and produced a combined ISSB and TNFD report – called [Sustainability and ESG Report](#) – which highlights our commitment to an



integrated approach to climate, nature and people. **ESG Team and Resources**

NextEnergy Group has a dedicated ESG team. The team is led by the Group Head of ESG, who reports to the Founding Partner and Group CEO.

The ESG team advances sustainability through multiple channels across the Group. Different team members are dedicated to the different companies’ activities, and the Group 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 Climate Strategy.

The ESG team works closely with teams across Starlight, NextEnergy Capital and WiseEnergy to mitigate financially material physical and transition climate risks, capitalise on opportunities, and drive decarbonisation across the asset lifecycle. Full details about the ESG team can be found in our annual [Group Sustainability Report](#).

Transparency and Data Governance

NextEnergy Group is committed to transparency in our sustainability and ESG processes and performance, and we adopt a rigorous approach to data assurance.

The focus of our climate-related data is on our induced and avoided emissions. We follow the **GHG Protocol** and the **Partnership for Carbon Accounting Financials (PCAF)** methodologies to ensure consistent emissions accounting and assurance approaches. These are the leading global authorities and initiatives on GHG emissions measurement, management and disclosure across the major financial asset classes.

We also contract a third-party specialist climate consultant to support with NextEnergy Group’s GHG emissions avoided and additional environmental indicator calculations, thereby providing further assurance to our data handling, accuracy and reporting. Full details can be found in our [Avoided Emissions Methodology](#).

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.



Disclosures and Reporting

Sustainability disclosures are essential to facilitate the growth of sustainable investments and the pursuit of a more rapid transition to clean energy. We make climate-related disclosures at the Group, company and fund levels in line with internationally-recognised frameworks.

NEXTENERGY GROUP LEVEL

NextEnergy Group publishes an annual Sustainability Report which details the progress we are making to advance positive outcomes against our Sustainability Framework:

[Group Sustainability Report](#)

NEXTENERGY CAPITAL LEVEL

NextEnergy Capital publishes and commissions the following reports to assess the integration of ESG factors, including climate-related, throughout its investment activities:

[Annual Sustainability and ESG Report \(ISSB and TNFD-aligned\) \(since 2024\)](#)

[Annual TCFD-ISSB Report \(pre-2024\)](#)

[Annual UN PRI Transparency Report](#)

[EU SFDR ESG Disclosures](#)

FUND LEVEL

In accordance with the **EU Taxonomy**, our funds make a substantial contribution to one of the Taxonomy’s six environmental objectives; do no significant harm (**DNSH**) to any of the objectives; and, comply with minimum safeguards. Our funds’ sustainable investment objective is climate change mitigation. The Article 9 classification of all of our funds at the time of publication of this Climate Strategy¹⁴ is testament to the sustainability market leadership of our financial products. NextEnergy Capital publishes the annual disclosures to comply with the EU SFDR, as well as voluntary avoided emissions reports for each of its funds. All fund level reports and disclosures are publicly available on NEC’s website: [Transparency and Reporting – NextEnergy Capital](#).

¹⁴ November 2025



At NextEnergy Group, we have taken on the responsibility to drive the normative change needed in the renewable and sustainable finance industries because we recognise that the work needed to address climate change is more urgent than ever.

Conclusion

Human-induced climate change is accelerating. Efforts to limit warming to 1.5°C remain off track. This is creating new systemic risks for people, nature and economies. It is not too late to avoid the most catastrophic of these risks, but the decisions to secure a safer, more sustainable future must be taken today.

At NextEnergy Group, we took the decision to lead the transition to this future in 2007. Our Solar+ assets avoid carbon emissions and help to deliver the goals of the Paris Agreement. Against a backdrop of shifting political and macro-economic headwinds, we are not deterred. The speed of the renewable energy transition may be facing uncertainty. What is not uncertain is that the transition is well and truly underway.

Our Climate Transition and Net Zero Strategy is the roadmap to drive forward the climate ambition we are raising – from leading the transition to clean energy to catalysing the broader transformation of energy systems.

Achieving this transformation will undoubtedly present challenges, but it also offers significant opportunities for innovation, enhanced resilience, and continued value creation. We are confident that our proactive mindset places us in a strong position to capitalise on these opportunities, and to realise our vision for a future in which people and nature thrive in harmony.

Securing this future demands leadership and ambition. Our Strategy is designed to evolve alongside NextEnergy Group. It will also enable us to respond to the latest climate science and related policy, technology and stakeholder expectations. This leading approach is intended to drive normative change needed in the renewable and sustainable finance industries. At NextEnergy Group, we have taken on this responsibility because the work needed to address climate change is more urgent than ever. We will continue acting on this urgency to generate a more sustainable future. One renewable energy project at a time.



Glossary

Alpha team

A dedicated project and engineering team within WiseEnergy, NextEnergy Group’s asset manager, which is responsible for managing the technical aspects of repowering and performance enhancement projects on operational sites.

Carbon dioxide equivalent or CO₂e

A term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂ which would have the equivalent global warming impact.

Climate change mitigation

Contributing to the stabilisation of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous human-caused interference with the climate system. This can be carried out by avoiding or reducing greenhouse gas emissions or enhancing greenhouse gas removals, and is consistent with the long term temperature goal of the Paris Agreement.

Do No Significant Harm or DNSH

The DNSH principle is one of the three key pillars to determine whether an activity substantially contributes to one or more of the environmental objectives set out in the EU Taxonomy Regulation. The other two pillars are Technical Screening Criteria and Minimum Safeguards. The DNSH principle stipulates that when determining whether an economic activity is environmentally sustainable (i.e. EU Taxonomy-aligned), it must do no significant harm any of the EU Taxonomy’s six environmental objectives.

EU Sustainable Finance Disclosure Regulation or SFDR

The EU SFDR applies to investment products. The SFDR requires reporting organisations to disclose how sustainability risks are considered in their investment process, what metrics they use to assess ESG factors, and how they address assessment decisions that might result in negative impacts on sustainability.

EU SFDR Article 9

Financial products classified under Article 9 of the SFDR must have sustainable investment as their core objective. This means their investment strategy is explicitly aligned with environmental or social goals, alongside good governance practices. In contrast, Article 8 financial products promote environmental or social characteristics but do not have sustainable investment as their primary objective.

EU Taxonomy

The EU Taxonomy Regulation establishes a classification system for environmentally sustainable economic activities. It defines criteria to determine when an activity makes a substantial contribution to environmental objectives, does no significant harm to other objectives, and complies with minimum safeguards.

Greenhouse gases or GHGs

GHGs are gases such as carbon dioxide which trap heat in the earth’s atmosphere. GHG are released by burning fossil fuels, which is why fossil fuels cause climate change.

Greenhouse Gas Protocol or GHG Protocol

The GHG Protocol is the leading global authority on GHG emissions measurement and management.

International Sustainability Standards Board or ISSB

The ISSB was established by the International Financial Reporting Standards Foundation at the 2021 COP26 climate summit in Glasgow. The ISSB has developed global baseline sustainability standards, with its IFRS S2 Climate-related Disclosures standard incorporating the recommendations of the TCFD.

Kyoto Protocol

The Kyoto Protocol was adopted in 1997 as the first legally binding climate treaty. It is operationalised under the UNFCCC and commits industrialised countries and economies in transition to limit and reduce GHG emissions in accordance with agreed individual targets. In contrast, the UNFCCC parent treaty only asks those countries to adopt policies and measures on mitigation, and to report periodically on them. The Kyoto Protocol provided the model for the Paris Agreement in 2015.

Net zero

Net zero refers to the target of reducing greenhouse gas emissions to as close to zero as possible, and reabsorbing any remaining emissions from the atmosphere – for example, by forests and oceans. This means that on a net basis no greenhouse gases are released into the climate.

Paris Agreement

The Paris Agreement, often referred to as the Paris Accord or the Paris Climate Accord, is an international treaty on climate change adopted in 2015. It covers climate change mitigation, adaptation and finance. The Paris Agreement’s central aim is to strengthen the global response to climate change with a goal of keeping global temperature rise this century below 2°C above pre-industrial levels, and to pursue efforts to limit temperature increase further, to 1.5°C.

Partnership for Carbon Accounting Financials or PCAF

PCAF is a partnership of financial institutions established in 2015 to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with major financial asset classes.

Science Based Targets initiative or SBTi

The SBTi defines and promotes best practice in science-based target setting in emissions reductions.

Scope 1, 2 and 3 emissions

The GHG Protocol classifies GHG emissions into three ‘scopes’:

- Scope 1 emissions are direct emissions from owned or controlled sources.
- Scope 2 emissions are indirect emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Solar Photovoltaics or solar PV

Solar PV is a generation technology which directly converts energy from the sun into electricity.

Solar+

The term used by NextEnergy Group to refer to solar PV and battery energy storage assets together.

Taskforce on Climate-related Financial Disclosures or TCFD

The TCFD was established to change the way improve the way organisations manage climate risks and opportunities. TCFD established a standardised reporting methodology to provide forward-looking information on the material financial impacts of climate change. From 1 January 2023, all FCA-regulated entities with over £5bn assets under management are required to publish a climate-related disclosure in line with the TCFD. The provisions of the TCFD have now been incorporated into the reporting of the ISSB.

United Nations Framework Convention on Climate Change or UNFCCC

The UNFCCC is the first treaty put forth explicitly to address climate change. The ultimate aim is to prevent dangerous human interference with the climate system and places the onus on developed countries (Annex I) to lead in cutting GHG emissions. The UNFCCC entered into force in 1994 and established a governing body and annual conferences that gave rise to the Kyoto Protocol in 1997 and the Paris Agreement in 2015. Today it has universal membership, meaning that all states and regional economic integration organisations to which the UNFCCC is open have expressed their consent to be bound by it.

