

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: NextEnergy III Co-Invest, LP022141 on behalf of NextEnergy Capital Limited

Summary

NextEnergy III Co-Invest, LP022141, considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of NextEnergy III Co-Invest LP (the "Company").

This statement on principal adverse impacts on sustainability factors covers the reference period from 1st January 2025 to 31 December 2025, in line with the financial reporting year.

The tables below contain the principal adverse impacts required by regulation and material considered by the Company. Overall, the results show limited adverse impacts in line with the sustainable investment objective. The decrease in Scope 3 emissions is driven by lower construction-related emissions in 2025, following the recognition of higher construction emissions in 2024.

The portfolio's structure heavily relies on third-party providers, particularly operations and maintenance contractors, for its activities. Consequently, the company depends on data supplied by these entities. For this fund, operational data from operations and maintenance contractors was not provided; consequently, Scope 3 emissions are estimated.

Overall the principal adverse indicators reflect the positive nature of the sustainable investment objective and provide targeted areas for improvement in the future which the Company is actively engaged in addressing. The nature of the PAI are designed to be negative in isolation. However, to review the fund's positive attributions, please refer to the ESG

Description of the principal adverse impacts on sustainability factors

See descriptions below table:

Table 1

Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	0	0	tCO2e	The investee companies are SPVs that hold solar PV projects. The construction and operation of these are outsourced to third parties so no scope 1 emissions are incurred.	NA
		Scope 2 GHG emissions	Location Based: 198.9 Market Based: 64.59	Location Based: 268.56 Market Based: 131.6	tCO2e	Scope 2 emissions reflect electricity purchased across the portfolio, calculated using both location-based and market-based methodologies in line with GHG Protocol best practices. The decrease in market-based Scope 2 emissions is driven by the adoption of a supplier-specific emission factor, which is lower than the country-based factor previously applied.	Import data will continue to be collected, options for sourcing more renewable energy are being explored.
		Scope 3 GHG emissions	50.00	74,760.81	tCO2e	Scope 3 emissions for this reporting cycle continue to include supply chain emissions; however, no sites were under construction and reached first generation during the period. As a result, the emission factor that encompasses cradle-to-gate plus transport and installation processes for solar panels was not applied this year. The decrease in Scope 3 emissions reflects the absence of construction activity, following the prior reporting period when first-generation data established the initial benchmark for assets transitioning to operational status.	The investment advisor and asset manager are actively engaged in improving data quality from suppliers.
		Total GHG emissions	Location Based: 249.22 Market Based: 114.91	Location Based: 75,029.37 Market Based: 74,892.40	tCO2e	Total GHG emissions reflect the combined impact of Scope 1, Scope 2 (location-based and market-based) and Scope 3 emissions across the portfolio. The decrease in total GHG emissions is driven primarily by the reduction in Scope 3 construction-related emissions, as highlighted above.	NA
		2. Carbon footprint	Carbon Footprint	Location Based: 3.85 Market Based: 1.77	Location Based: 886.92 Market Based: 885.30	tCO2e per €M	The decrease in the portfolio's carbon footprint (both location-based and market-based) is driven by the reduction in total GHG emissions.
	3. GHG intensity of investee companies	GHG intensity of investee companies	Location Based: 37.73 Market Based: 17.4	Location Based: 11,977.01 Market Based: 11,955.15	tCO2e per €M	The decrease in the portfolio's GHG intensity (both location-based and market-based) is driven by the reduction in total GHG emissions.	The investment advisor and asset manager are actively engaged in improving data quality, completeness, and availability.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0	0		The investment strategy is focused on assets that produce renewable energy.	NA
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0.29%	0.46%	%	The decrease in the share of non-renewable energy is driven by the change in the portfolio's energy profile, reflecting increased renewable energy generation across assets.	The strategy will continue, options for sourcing renewable import electricity are being explored.

	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.11	0.16	GWh per €M	The decrease in energy consumption intensity is driven by the increase in revenues across the portfolio.	NA
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	%	The Company undertakes environmental assessments before sites are constructed. There is an active biodiversity program in place to improve the performance of sites.	Biodiversity improvements will continue as part of the overall ESG strategy.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	0	tonne per €M	It's considered best practice to avoid emitting nitrates, phosphates, and pesticides during operations. Contractors responsible for operations and maintenance are advised from using harmful chemicals during the module cleaning process.	NA
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0	0	tonne per €M	No hazardous wastes were produced during the reporting period.	NA

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	%	The Company applies these policies, with a particular focus on supply chain. The investee companies themselves are SPVs holding assets and have no employees.	NA
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	%	The Company applies these policies, with a particular focus on supply chain. The investee companies themselves are SPVs holding assets and have no employees.	NA
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0	0		The Company has no employees. It invests in SPVs which hold solar assets. The operations are outsourced to third-party contractors.	NA
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	50%	50%	%	The Company has one SPV. It's board is consisted of one female and one male board members	NA
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	%	Investments are all in solar PV projects.	NA

Other indicators for principal adverse impacts on sustainability factors

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
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Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	330.99	53.64	m3 per €M	Average water consumption per million EUR of revenue increased in 2025, driven by higher water use reported across assets and improved data coverage.	Opportunities for recycling water are being explored, as are alternatives to using water.
		2. Weighted average percentage of water recycled and reused by investee companies	0%	0%	%	Water recycling and reuse systems are not implemented across the portfolio's assets due to their operational nature and minimal water requirements.	
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	0%	0%	%	NA	Actively engaging with suppliers to provide more data and improve quality.
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	0%	0%	%	NA	Actively engaging with suppliers to provide more data and improve quality.

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies							
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	0%	0%	%	The investee companies are SPVs with no employees.	NA
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	0	0		No accidents reported in the year.	NA
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	0	0		No accidents reported in the year.	NA
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	0%	0%	%	The investee companies are SPVs to hold assets but suppliers are subject to procurement policies from the ultimate parent. When opportunities arise to re-tender O&M contracts, as part of the process, the company aims to ensure new O&Ms adhere to the supplier Code of conduct.	NA

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

- a) NextEnergy Capital Limited has a set of Sustainability Policies publicly available on its website, signed by the most senior member of the company and regularly reviewed.
- b) The NextEnergy Capital ESG team is responsible for the implementation of these Policies for this financial product. Details of such policies and procedures are disclosed in the SFDR ESG Disclosure Document, available on the website.
- c) Data on a number of metrics is not available for the Company. Additional data will be included in future reporting cycles once the assets become operational and data becomes available. Indicators will be assessed based on likelihood and severity of occurrence.
- d) The assessment is inherently judgmental in nature which incorporates a margin of error. Feedback from stakeholders will be taken into account when reviewing this selection and amendments made in future reporting cycles if required.
- e) The Company does not have data on several metrics. Once the assets become operational and data becomes available, additional data will be included in future reporting cycles.

Engagement Policies

Supply chain is a major area of focus for new sites under construction or parts for repairs. The engagement focus is on human rights and climate risk.

Reference to international standards

- As an Article 9 fund with a sustainable investment objective the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises are adhered to.
- a) Indicators 10 and 11 in Table 1 are key to ensuring compliance with these frameworks.
 - b) As there is direct control over the infrastructure assets full coverage can be obtained. Extensive work is undertaken to collect data from contractors and suppliers but this has inherent limitations in completeness and accuracy.
 - c) Climate scenarios are not used in the indicators but they are considered as part of the TCFD reporting, publicly available
 - d) Climate scenarios are not used.

Historical comparison

For this reporting cycle, the methodology remains consistent with the prior year. Greenhouse gas emissions continue to include supply chain emissions, estimated using an emission factor that encompasses cradle-to-gate plus transport and installation processes of solar panels for sites reaching first generation during this period. However, no solar assets were constructed during this reporting period, resulting in no associated construction-related emissions. Scope 2 emissions are again presented in both location-based and market-based formats in accordance with GHG Protocol standards, with the market-based calculation reflecting renewable energy procurement decisions and the location-based figure providing visibility into underlying grid electricity consumption. Compared to the previous reporting year, total GHG emissions dropped significantly, driven by the absence of construction activity. Data collection processes remain comprehensive, with continued reliance on estimation approaches for operations and maintenance activities where third-party data provision poses challenges.