ANNEX V

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: NESF (“NextEnergy Solar Fund”) **Legal entity identifier:** 213800ZPHCBDDSQH5447

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.

Sustainable investment objective

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the sustainable investments]*

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective: 94.5**%	☐ 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
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

Sustainable investment objective pursued by the NESF

NESF (“the fund”) is a listed solar investment fund, which is currently active both in the acquisition of solar PV assets on the secondary market, as well as investing in solar PV assets that are under development (e.g., at the stage of origination, project planning or construction) when acquired.
The fund sustainable investment objectives is:

- To substantially contribute to the environmental objective of climate change mitigation within the meaning of the EU Taxonomy regulation.

This fund's objective contributes to the Article 9 qualification, under “economic activities that qualify as environmentally sustainable under the EU Taxonomy” and more specifically, qualifies as contributing substantially to climate change mitigation.

NESF substantially contributes to climate change mitigation by avoiding fossil fuel use and associated CO_2e emissions to the atmosphere.

NESF’s integration of environmental, social and governance (ESG) factors is driven by the fund’s alignment with the Investment Adviser’s Sustainable Investment Policy (SIP) and its underlying standards. The SIP refers to alignment with the UN Principle of Responsible Investors (PRI), the Equator Principles (EP), IFC Performance Standards (IFC PS), UN Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and general industry best practice. ESG factors are integrated through a due diligence process that seeks to apply these standards to each acquisition, in particular regarding biodiversity, climate, water, community engagement, working conditions, health and safety, and supply chain risks, among others.

Furthermore, NESF integrates the NextEnergy Group’s Sustainable Investment Policy’s methodologies into its investment decision-making processes, to further enhance and strengthen the consideration of ESG factors.

Monitoring of progress against the sustainable investment objectives is primarily based on the calculation of GHG emissions and fossil fuel volume avoided by utilization of the 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 positive impacts of the NESF biodiversity commitments are also being monitored with the intent to include the contribution toward climate change mitigation within future NESF reports.

- ***How did the sustainability indicators[1] perform?***

The table below provides historical performance indicators (GHG emission avoided) up to the current reporting year.

Metric	Units	FY 2021-2022	FY 2022-2023	FY 2023-2024
GHG Avoided	$ktCO_2e$	328.7	363.0	279.33
NO_x Avoided	tonnes	269.3	331.1	254.78
SO_x Avoided	tonnes	549.7	612.4	471.24
$PM_{2.5}$	tonnes	25.2	28.3	21.78
PM_{10}	tonnes	6.2	6.9	5.31
Fossil Fuels avoided	kilotonnes oil equivalent (ktoe)	142.8	160.3	88.62
	Millions of barrels	1.0	1.2	0.7

The latest numbers are based on the renewable electricity generation (MWh) related to 2024 tax year (i.e. 1st April 2023 to 31st March 2024)[2].

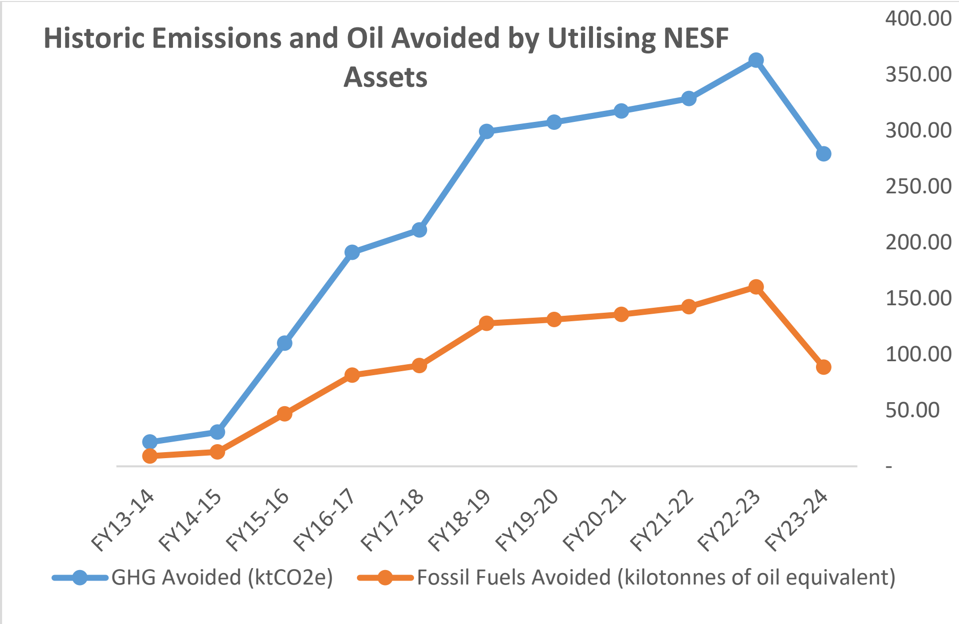
As indicated in the table, up to 280ktCO2e of emissions and up to 89kt of oil equivalent has been avoided.

- ***…and compared to previous periods?***

Historical data includes data from the 2014 financial year onwards. This can be seen in the graph below:

[1] **Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

[2] *The 279.33 tCO2e avoided figure provided within this report and the Annual Report for the year ended 31 March 2024 is calculated based on a total generation of 851,593 MWh for the year ended 31 March 2024, which includes all assets that have reached connection date (COD) at 31st March 2024 and the NPIII contributions.



As demonstrated in the graph, annual emissions avoided and fossil fuel use avoided remains high and summarizes the contribution of the NESF assets toward climate change mitigation. The methodology has been updated during the period to reflect improvements in the accuracy of underlying data available and to align inputs with estimates used elsewhere in the report (such as the scope 1-3 greenhouse gas emissions).

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

NESF'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 against or the transactions were halted and not progressed.

From a climate change mitigation perspective, NESF substantially contributes to the objective by avoiding CO_2e emissions to atmosphere and fossil fuel use. NESF reports the amount of CO_2e avoided consistently year on year.

For more information on the NEC/NESF due-diligence process, please refer to the ESG Disclosure document on the NESF and NEC websites.

How were the indicators for adverse impacts[3] on sustainability factors taken into account?

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

NESF predominantly invests in utility-scale solar PV assets and complementary technologies, such as energy storage assets, 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 and NESF ESG Disclosure document, reviews all aspects of the asset(s) and counterparties (seller, contractors, and suppliers) and the associated adverse impacts (including environmental, social and employee, human rights, anti-corruption etc.) during the pre-investment stage. When gaps are identified, mitigation measures are proposed, and action plans are agreed during the approval process. Cost for implementation of ESG actions are also allocated into the financial model, to ensure capital can be deployed for these activities during the lifetime of the asset.

Post-acquisition of the assets, all relevant contractors who construct or operate the asset are requested to provide their ESG Key Performance Indicators (KPI). These include resource consumption, GHG scope 1, 2, and 3 emissions, Health&Safety, biodiversity, diversity, and other relevant ESG indicators at the asset level. A full set of KPI related to PAI has been developed consistently with the requirements of Table 1, Annex 1 of the Commission Delegated Regulation 2022/1288.

Further details on the reporting and KPI approach can be found in the NESF ESG Disclosure document on the NESF and NEC websites.

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

[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.

Yes. NESF has a strong Sustainable Investment Policy and Human Rights Position Statement aligning with the associated requirements of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles. In addition, NESF complies with the UK Modern Slavery Act and publishes an MSA Statement accordingly. NESF policies require NESF 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]. Additionally please refer to NESF website for the latest version of the UK Modern Slavery Act Statement.

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.

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.

NESF predominantly invests in utility-scale solar PV assets and complementary technologies, such as energy storage assets, 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 and NESF ESG Disclosure document, reviews all aspects of the asset(s) and counterparties (seller, contractors, and suppliers) and the associated adverse impacts (including environmental, social and employee, human rights, anti-corruption etc.) during the pre-investment stage. When gaps are identified, mitigation measures are proposed, and action plans are agreed during the approval process. Cost for implementation of ESG actions are also allocated into the financial model, to ensure capital can be deployed for these activities during the lifetime of the asset.

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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	Sectors	% Assets	Country
Apollo Portfolio	Solar PV	19.2	UK
13 Kings	Solar PV	6.7	UK
Radius Portfolio	Solar PV	6.5	UK
Investment in NextPower III ESG	Solar PV	5.8	Global
Lapwing BESS (Eel JV)	BESS	4.5	UK
Solis Portfolio	Solar PV	4.1	Italy
The Grange	Solar PV	3.7	UK

These figures represent the percentage of capital invested by NESF. Note that 'adjacent technologies' includes energy storage technology, such as batteries. Please note also that figures are stated to the nearest 0.1% which may lead to rounding differences.

What was the proportion of sustainability-related investments?

As at the last reporting date (31 March 2024) before the publication of this Annex V, the portfolio allocation of the Fund using an average of the quarterly published Net Assets Value ("NAV") during the financial year, was:

- 94.5% of the Fund's NAV was sustainability-related. All of this investment is aligned with the EU Taxonomy;
- 5.5% of the Fund's NAV was held in cash, bank deposits and other cash equivalents for liquidity purposes, and held at an A+ credit-rated financial institution, hence classified as "non-sustainable".

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period FY 2024 (1st April 2023 to 31st March 2024)

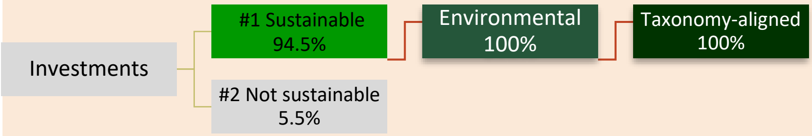
What was the asset allocation?

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.

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

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 NESF 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

[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.

core business of NESF's investments and 100% of asset allocation remains investing in renewable energy infrastructure.

b) Each NESF investment has to undertake a due diligence process pre-and post-investment which ensures that No Significant Harm (DNSH) is done 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 also considers additional safeguard such as human rights, community engagement, and labour conditions, amongst others. The due diligence 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.

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.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[5]?

☐ Yes:

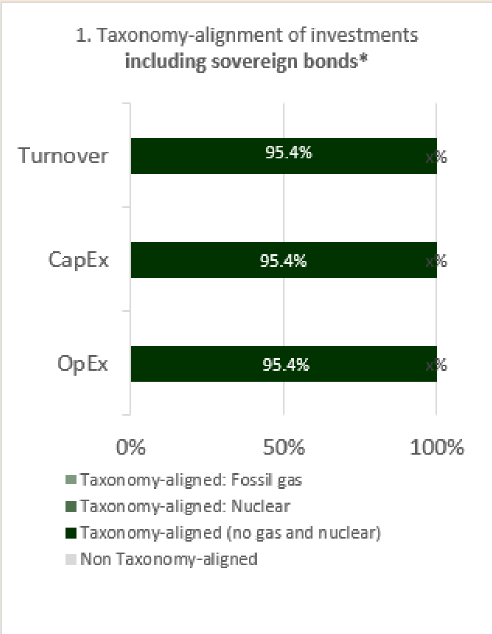
☐ In fossil gas ☐ In nuclear energy

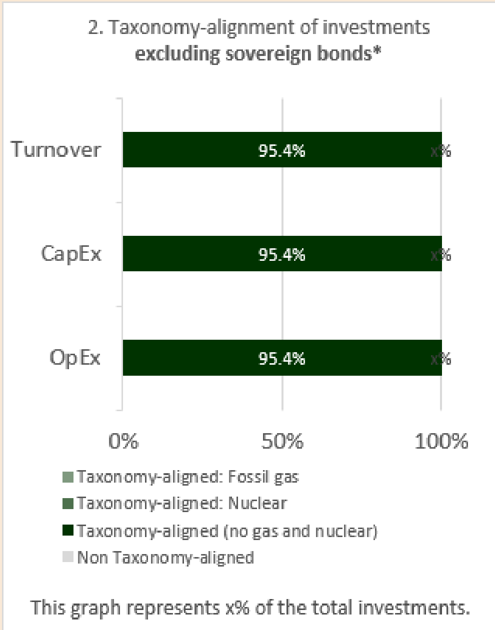
☒ No

Of the 94.5% indicated in the graph below, all of those investments are EU Taxonomy-aligned as at the date of publication of the present version of Annex V.

[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.

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.*





- ***What was the share of investments made in transitional and enabling activities[6]?***

Standalone battery storage investment- 8.2% of total investment.

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

All (100%) investments have been aligned with the EU Taxonomy.

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

What was the share of sustainable investments with an environmental objective that were not aligned with 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.

0%. The Fund solely invests in renewable energy assets and commits to Taxonomy-aligned investments. The share of sustainable investments with an environmental objective that are not aligned with EU Taxonomy is 0%.

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 that were classified as “not sustainable” are composed of cash and cash-equivalents, which are for liquidity purposes and held at an A+ credit rated financial institution.

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

NESF’s objective to substantially contribute to climate change mitigation is met by generating clean sustainable energy and therefore reducing the amount of fossil fuel used to meet energy demand, along with avoiding 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 contribution to climate mitigation. This is done, as explained above, in line with the principles of Do No Do Significant Harm and in respect of minimum safeguard.

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 NESF, 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, are released to the NESF Board and are detailed in the NESF Sustainability Report available on the NESF website. Progress on key indicators is also discussed through board

/shareholder meetings as required and is also considered within the Annual Report release.

Further information of the Investment Adviser's approach towards sustainability is outlined in the NextEnergy Group Sustainability Strategy.

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

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

- ***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

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

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