

Financial market participant: NextEnergy Solar Fund Limited, 213800ZPHCBDDSQH5447

Summary

NextEnergy Solar Fund Limited (the "Company"), 213800ZPHCBDDSQH5447, considers

This statement on principal adverse impacts on sustainability factors covers the reference

The tables below contain the principal adverse impacts required by regulation and consid

The portfolio's structure heavily relies on third-party providers, particularly operations at
During the current reporting period, estimations were still employed where operational d
Efforts have been made to improve the accuracy and transparency of data, which resulte

Overall the principal adverse indicators reflect the positive nature of the sustainable inve
However, to review the fund's positive attributions please refer to the ESG reports <https://www.nextenergy.com.au/nextenergy-solar-fund>

Description of the principal adverse impacts on sustainability factors

See descriptions below table:

Adverse sustainability indicator	
Greenhouse gas emissions	1. GHG emissions

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Vertical line on the right side of the page.

Horizontal line connecting the two vertical lines on the right side.

	2. Carbon footprint
	3. GHG intensity of investee companies
	4. Exposure to companies active in the fossil fuel sector
	5. Share of non-renewable energy consumption and production
	6. Energy consumption intensity per high impact climate sector
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas

Water	8. Emissions to water
Waste	9. Hazardous waste and radioactive waste ratio
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
	12. Unadjusted gender pay gap
	13. Board gender diversity
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)
Water, waste and material emissions	6. Water usage and recycling
	7. Investments in companies without water management policies
	8. Exposure to areas of high water stress

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)
Social and employee matters	1. Investments in companies without workplace accident prevention policies
	2. Rate of accidents

	3. Number of days lost to injuries, accidents, fatalities or illness
	4. Lack of a supplier code of conduct

Description of policies to identify and prioritise principal adverse impacts on sustain

The Board has established an ESG Committee, which is Chaired by Josephine Bush who

- a) The Board approved the Sustainable Investing Policy in 2019
- b) Since it was established the ESG Committee has oversight of this policy with operatic
- c) The indicators in Table 2 and 3 have been assessed based on their materiality. That is
- d) The assessment is inherently judgmental in nature which incorporates a margin of error
- e) Data is challenging on a number of metrics because it is primarily provided by third parties

Data received from third-party contractors was assessed for quality. Annomalies were qu

Engagement Policies

The investments are infrastructure assets. Engagement is primarily focused on operations. Supply chain is the other major area of focus for new sites under construction or parts fo

Reference to international standards

As an Article 9 fund with a sustainable investment objective the UN Guiding Principles

- 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. 1
- c) Climate scenarios are not used in the indicators but they are considered as part of the

Historical comparison

The significant decrease in total GHG emissions between reporting periods is primarily

ers principal adverse impacts of its investment decisions
e period from 1st April 2024 to 31 March 2025, in line
dered material to the Company. The results show limited
nd maintenance contractors, for its activities. Consequently
ata from operations and maintenance contractors was
d in overall improved quality of data provided by the
vestment objective and provide targeted areas for improvement
//www.nextenergysolarfund.com/esg/esg-reports-and

Metric

Scope 1 GHG emissions

Scope 2 GHG emissions

Scope 3 GHG emissions

Total GHG emissions

Carbon Footprint
GHG intensity of investee companies
Share of investments in companies active in the fossil fuel sector
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
Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
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

Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average

Share of investments in investee companies that have been involved in violations of the UNGC principles or 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
Average unadjusted gender pay gap of investee companies
Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
Share of investments in investee companies involved in the manufacture or selling of controversial weapons

Metric

1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies
2. Weighted average percentage of water recycled and reused by investee companies
Share of investments in investee companies without water management policies
Share of investments in investee companies with sites located in areas of high water stress without a water management policy

Metric

Share of investments in investee companies without a workplace accident prevention policy
Rate of accidents in investee companies expressed as a weighted average

Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average
Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)

ability factors

has an extensive experience in sustainable finance.

onal implementation delegated to NextEnergy Capital the likelihood and severity of occurrence. This process. Feedback from stakeholders will be taken into account operations and maintenance contractors. Additional

eried with providers. Estimates were used on data generated

s and maintenance contractors to adopt more efficient repairs. The engagement focus is on human rights and

on Business and Human Rights and OECD Guidelines

Extensive work is undertaken to collect data from companies TCFD/ISSB reporting, publically available

attributed to the substantial reduction in Scope 3 emissions

Statement on principal adverse impacts of

ons on sustainability factors. The present statement is the consolidated st
ne with the financial reporting year.

ited adverse impacts in line with the sustainable investment objective.

quently, the company depends on data supplied by these entities.
s not available.

operations and maintenance contractors.

ovement in the future which the Company is actively engaged in address:
l-publications/

Indicators applicable to inv	
	Impact 2025

CLIMATE AND OTHER ENVIR	
	0

Location Based: 2,259

Market Based: 1,358

17,875

Location Based: 20,134

Market Based: 19,233

Location Based: 25.05 Market Based: 23.93
Location Based: 250.25 Market Based: 241.96
0
0.53%
0.04
0

	0
	0

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS

	0
	0
	0
	45%
	0

Other indicators for principal adverse impacts
Ta
Additional climate and other indicators

Impact 2025

Indicators applicable to inv

CLIMATE AND OTHER ENVIR

14.13
0
0
0

Additional indicators for social and employee, respect f
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INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HU

Impact 2025

Indicators applicable to inv

0
0

	0
	0

l
 ess included an assessment of the asset lifecycle, from supply chain throu
 count when reviewing this selection and amendments made in future repo
 nal data was available from the asset manager.

aps using the data that was available as a proxy (converting this into an ir

it and sustainable operations (using less fuel and less water are focus area
 and climate risk.

es for Multinational Enterprises are adhered to.

ntractors and suppliers but this has inherent limitations in completeness a

ssions. This decrease is driven by lower construction and supply chain er

investment decisions on sustainability factors

atement on principal adverse impacts on sustainability factors of NextEn

ing. The nature of the PAI are designed to be negative in isolation.

Table 1

estments in investee companies

Impact 2024	Unit
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ONMENT-RELATED INDICATORS

0	tCO2e
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Market Based: 1,394.88	tCO2e
31,439.02	tCO2e
Market Based: 32,833.90	tCO2e

Market Based: 37.01	tCO2e per €M
Market Based: 13,943.02	tCO2e per €M
0	
0.40%	%
0	GWh per €M
0	%

0	tonne per €M
0	tonne per €M

MAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTEI

0	%
0	%
0	
45%	%
0	%

verse impacts on sustainability factors
able 2
environment-related indicators

Impact 2024	Unit
-------------	------

estments in investee companies

ONMENT-RELATED INDICATORS

284.6	m3 per €M
0	%
0	%
0	%

or human rights, anti-corruption and anti-bribery matters

MAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTEI

Impact 2024	Unit
-------------	------

estments in investee companies

0	%
0	

0.035	
0	%

gh operational life and end of life.
orting cycles if required.

ntensity metric and applying to relevant activity).

is).

and accuracy.

missions within the NESF portfolio.

ergy Solar Fund Limited.

Explanation

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Scope 2 emissions reflect electricity purchased across the portfolio. For 2025, the reporting methodology has been enhanced by including both location-based and market-based emissions calculations, in line with GHG Protocol best practices. The market-based emissions reflect the portfolio's renewable energy usage, as a significant portion of the portfolio uses renewable energy that does not incur emissions.

The location-based figure provides an alternative perspective as it reflects the comprehensive energy consumption data captured across assets this year, regardless of renewable attributes. The market-based calculation accounts for renewable energy procurement, aligning with the organization's ongoing commitment to increasing renewable electricity usage across the portfolio as part of a broader decarbonization strategy.

Scope 2 emissions remained stable between the reporting periods.

The significant decrease in Scope 3 emissions between reporting periods is primarily attributed to the drop in construction and supply chain emissions within the NESF portfolio.

The followed methodology recognises construction and supply chain emissions at a single point in time when the project reaches its first generation date. This approach uses the installed capacity (MWp) of each asset to calculate the associated emissions.

The overall decrease in total emissions between reporting periods is predominantly driven by the significant reduction in Scope 3 emissions. This decrease is directly associated with construction and supply chain emissions as explained above.

The carbon footprint metrics for this reporting period are presented using both location-based and market-based methodologies, enhancing transparency in emissions reporting. This approach aligns with evolving best practices in sustainability disclosure. The carbon footprint figures reflect the portfolio's current operational profile, with the decrease resulting from the reduction in total emissions.

The GHG intensity has been calculated to reflect on total emissions while taking into account both location-based and market-based emissions. The significant decrease in GHG intensity is attributed to the impact of assets reaching their first generation date in 2023, which triggered substantial construction emissions recognition while these newly operational assets generated minimal revenues. This created an exceptionally high GHG intensity in 2024.

The investment strategy is focused on assets that produce renewable energy.

The change primarily reflects improved accounting methodology rather than an actual increase in non-renewable consumption. We enhanced the reporting to include the energy content from fuel used in site operations, which was previously not fully captured. While the portfolio continues to produce renewable energy with electricity generation significantly exceeding consumption, this more comprehensive accounting approach provides greater transparency and a more accurate baseline for future sustainability targets.

This reporting period marks the first year that this indicator is being reported on for the fund's assets, establishing the initial benchmark data for future comparative analysis. The introduction of this metric provides valuable insights into the fund's development.

The Company undertakes environmental assessments before sites are constructed. There is an active biodiversity program in place to improve the performance of sites.

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.

No hazardous wastes were produced during the reporting period.

RS

The Company applies these policies, with a particular focus on supply chain. The investee companies themselves are SPVs holding assets and have no employees.

The Company applies these policies, with a particular focus on supply chain. The investee companies themselves are SPVs holding assets and have no employees.

The Company has no employees. It invests in SPVs which hold solar assets. The operations are outsourced to third-party contractors.

Investee companies are SPVs holding assets, these are not operational trading companies.

Investments are all in clean energy projects.

Explanation

While 2024 figures were estimated due to limited site-specific data, 2025 values incorporate measured consumption where available, with remaining estimates based on provided data from comparable sites. This enhanced methodology provides a more accurate representation of actual water use.
Water recycling and reuse systems are not implemented across the portfolio's assets due to their operational nature and minimal water requirements.
Coverage for this indicator is limited.
Coverage for this indicator is limited for sites located in high water stress areas in the current year.

RS

Explanation

The investee companies are SPVs with no employees.
No accidents reported in the year.

No accidents reported in the year.

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.

Actions taken and actions planned and targets set for the next reference period
NA

Import data will continue to be collected, options for sourcing more renewable energy are being explored.

The investment advisor and asset manager are actively engaged in improving data quality from suppliers.

NA

NA

NA

NA

The strategy will continue, options for sourcing renewable import electricity are being explored.

NA

Biodiversity improvements will continue as part of the overall ESG strategy.

NA
NA
NA
NA
NA
NA
NA

Actions taken and actions planned and targets set for the next reference period
<p>Opportunities for recycling water are being explored, as are alternatives to using water.</p>

Actions taken and actions planned and targets set for the next reference period
NA
NA

NA

NA
