Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: NextEnergy Solar Fund Limited, 213800ZPHCBDDSQH5447 on behalf of NextEnergy Capital Limited

Summary

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

This statement on principal adverse impacts on sustainability factors covers the reference period from 1st April 2024 to 31 March 2025, in line with the financial reporting year.

The tables below contain the principal adverse impacts required by regulation and considered material to the Company. The results show limited adverse impacts in line with the sustainable investment objective.

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.
During the current reporting period, estimations were still employed where operational data from operations and maintenance contractors was not available.
Efforts have been made to improve the accuracy and transparency of data, which resulted in overall improved quality of data provided by the operations and maintenance contractors.

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 reports https://www.nextenergysolarfund.com/esg/esg-reports-and-publications/

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		NA
		Scope 2 GHG emissions	Location Based: 2,259 Market Based: 1,358	Market Based: 1,394.88	tCO2e	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.	Import data will continue to be collected, options for sourcing more renewable energy are being explored.
		Scope 3 GHG emissions	17,875	31,439.02	tCO2e	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 investment advisor and asset manager are actively engaged in improving data quality from suppliers.
		Total GHG emissions	Location Based: 20,134 Market Based: 19,233	Market Based: 32,833.90	tCO2e	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.	NA
	2. Carbon footprint	Carbon Footprint	Location Based: 25.05 Market Based: 23.93	Market Based: 37.01	tCO2e per €M	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.	NA

	3. GHG intensity of investee companies	GHG intensity of investee companies	Location Based: 250.25 Market Based: 241.96	Market Based: 13,943.02	tCO2e per €M	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.	NA
	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	0.53%	0.40%	%	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.	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	0.04	0	GWh per €M	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.	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.	Biodiveristy 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	45%	45%	%	Investee companies are SPVs holding assets, these are not operational trading companies.	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 clean energy 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

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	14.13	284.6	m3 per €M	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.	Opportunities for recycling water are being explored, as are alteratives 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	%	Coverage for this indicator is limited.	
	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	%	Coverage for this indicator is limited for sites located in high water stress areas in the current year.	

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	0.035		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

The Board has established an ESG Committee, which is Chaired by Josephine Bush who has an extensive experience in sustainable finance.
a) The Board approved the Sustainable Investing Policy in 2019
b) Since it was established the ESG Committee has oversight of this policy with operational implementation delegated to NextEnergy Capital
c) The indicators in Table 2 and 3 have been assessed based on their materiality. That is the likelihood and severity of occurrence. This process included an assessment of the asset lifecycle, from supply chain through operational life and end of life.
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) Data is challenging on a number of metrics because it is primarily provided by third party operations and maintenance contractors. Additional data was available from the asset manager.

Data received from third-party contractors was assessed for quality. Annomolies were queried with providers. Estimates were used on data gaps using the data that was available as a proxy (converting this into an intensity metric and applying to relevant activity).

Engagement Policies

The investments are infrastructure assets. Engagement is primarily focused on operations and maintenance contractors to adopt more efficient and sustainable operations (using less fuel and less water are focus areas).
Supply chain is the other 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/ISSB reporting, publically available

Historical comparison

The significant decrease in total GHG emissions between reporting periods is primarily attributed to the substantial reduction in Scope 3 emissions. This decrease is driven by lower construction and supply chain emissions within the NESF portfolio.