



**CLIMATE CHANGE  
POSITION STATEMENT**

## Introduction

Climate change poses both immediate physical and transitional risks for countries, communities, businesses and individuals alike. The influence of climate change on biodiversity, economic prosperity and social cohesion has never been more apparent: it is only by recognizing the interdependent nature of these issues that can we achieve the long-term goal of securing a viable living environment and sustainable development into the future as the world's population continues to grow and demand on our natural resources increases.

NextEnergy Capital's ("NEC") core business is focused on generating climate-related positive impacts through the reduction of carbon emissions associated with the clean generation of energy through the renewable energy assets which our funds invest in. We acknowledge that our investments can also generate climate-related and other risks. However, through our ESG due diligence and portfolio management processes, we are committed to identifying and managing those risks to facilitate our investments in climate-resilient infrastructure.

## Objectives

NEC's mission is to contribute to a more sustainable future by leading the transition to clean energy. Operating across five continents and investing solely in renewable energy, we are positioned to contribute towards reducing greenhouse gas emissions on a global scale, thereby aligning our business objectives to the targets set out in the Paris Agreement.

We have set ourselves a number of objectives to achieve our mission:

- Ensure our business strategy, which is aligned with the 2015 Paris Agreement, facilitates Net-Zero targets on a global scale;
- Strengthen governance across the organization and maintain consistency across all of our funds and activities; and
- Increase transparency and accountability on climate-related risks and opportunities associated with our funds, as well as with our own operations.

## Implementation

We are building on our long-term experience with financing solar PV to invest in assets that generate attractive financial returns, while simultaneously contributing to positive societal impacts such as climate mitigation, biodiversity enhancement and community development. By directing finance to renewable energy investments - '*financing green*' - we are aligning ourselves with the [UK Green Finance Strategy](#) and supporting the achievement of the 2015 Paris Agreement target of ensuring global average temperature rise remains below 2°C of pre-industrial levels.

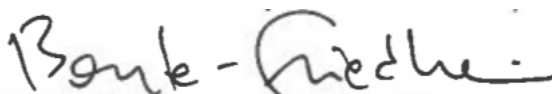
Achieving a low carbon future that enhances climate resilience is at the core of our business. Hence, we are proud to be actively involved in the Infrastructure Working Group for the [Paris Aligned Investment Initiative](#) ("PAII") of the Institutional Investor Group on Climate Change ("IIGCC"). The IIGCC is a collaboration platform of investors taking action to mitigate the impacts of climate change risks by mobilising capital. The PAII's working groups aim to expand the scope of the IIGCC's Net Zero Investment Framework by incorporating infrastructure as an asset class and helping investors to ensure their portfolios are contributing to net-zero targets.

One of NEC’s key commitments going forward is to encompass the UK’s goal of Net-Zero emissions by 2050. As renewable energy is our sole focus, we already [account for and report on our CO<sub>2</sub>e emission reductions](#). We are in the process of evaluating and measuring both our corporate carbon footprint and that of our assets.

## Climate Reporting


Transparency and disclosure are crucial in order to certify that standards are being upheld and accountability has been established. Accordingly, at NEC, we have pledged to report in line with numerous frameworks that consider climate as one of the most relevant focuses for sustainable development, namely:

- [The UN Principles of Responsible Investment \(“UN PRI”\)](#), an investor initiative NEC has been a Signatory of since 2016. The UN PRI’s voluntary six principles dictate that ESG and climate issues are incorporated within investment analysis and decision making, as well as into our ownership practices.
- [The Taskforce on Climate-Related Financial Disclosures \(“TCFD”\)](#), a framework against which organisations disclose on risks and opportunities related to climatic changes. NEC is an official supporter of the Taskforce; disclosing has strengthened our transparency, governance and risk management in terms of measuring climate-related risks and opportunities for our funds.
- [The EU Sustainable Finance Disclosure Regulation \(“EU SFDR”\)](#), also known as the “Disclosure Regulation”. This new legislation imposes transparency and ESG reporting with a particular focus on energy and climate. The legislation provides NEC with the opportunity to measure performance towards specific indicators, including those related to carbon emissions and carbon footprint, thus allowing us to report on our contribution to Net Zero.
- [Greenhouse gas emissions reduction reporting](#): we promote the highest transparency around our contribution to climate change mitigation. We report our GHG emission reduction both at group level, through our SDG Report, and at fund level. For new funds, we provide our stakeholders with ad hoc [Green Impact Reports](#) which are independently validated by the Green Investment Group. These reports include quantifiable and comparable data on greenhouse gas emissions avoided at both fund and asset levels, as well as data on air pollutants and avoided fossil fuel equivalents.



Signed: .....

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