



NextEnergy  
Group

2024

NEXTENERGY GROUP  
SUSTAINABILITY REPORT

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Acknowledgements



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# 1. INTRODUCTION



## 1.1 Foreword from the Founding Partner and Group CEO

2024 was a year of acceleration in the race towards net zero. It was also a year of renewed recognition for the need to halt and reverse nature loss, and of burgeoning efforts to shape more socially-inclusive economies in conjunction with reducing electricity prices, increasing energy independence and decarbonising the power generation sector. As the world's leading international specialist Solar+ investor, developer, and operating asset manager, NextEnergy Group continued to set best practice to pursue a more prosperous future for people and nature.

2024 was our 17<sup>th</sup> year since founding and another year of sustainability excellence for us. We started the year with the launch of the Group's new Sustainability Strategy and Framework, and continued by implementing it across all our key business areas. We learnt from the year's challenges, and drew on our Corporate Values to find solutions which ensure that our solar and ancillary activities are people and nature positive.

Despite grid connection queues and increasingly complex supply chains, we reached 4GW of renewable energy capacity across the Group and secured over 12.5GW of additional projects under development across five countries.

Launching the Group's Nature Strategy and contributing to pioneering research collaborations to place nature at the heart of climate action also bucked the trend of lack of global progress on implementing the Kunming-Montreal Global Biodiversity Framework which overshadowed the UN Conference on Biodiversity (COP16).

Looking back, it is clear to me that 2024 was a year marked by integration, innovation and inspiration for the Group. We strengthened our ambition to support global sustainable development goals through our renewable energy infrastructure activities. We built new strategic relationships and consolidated existing ones to leverage the power of collaboration. We refined our forward-thinking approach and tapped into our teams' creativity to navigate the continuously evolving sustainability landscape. I hope that you will get a flavour of this as you read through our 2024 Sustainability Report.

As 2025 gets underway, I am enthusiastic about what the year will bring, both for the renewable energy industry and for NextEnergy Group. We have already significantly strengthened our leadership platform, bringing in top-tier expertise to power the next phase of our growth and pave the way for even greater impact. We will not be deterred by transitional ESG headwinds. Instead, we will continue to prioritise locally-driven, ecologically-minded projects to continue to empower communities and respect nature because this makes our investments long-lasting and it future-proofs our business. We will dedicate additional resources to our teams so that we continue keeping ahead in an ever-evolving energy landscape. We will drive forward our mission of leading the transition to clean energy. One renewable energy project at a time.

**Michael Bonte-Friedheim**  
Founding Partner and Group CEO



## 1.2 Introduction to our year in sustainability from the Group Head of ESG

In January 2024, we launched NextEnergy Group's new Sustainability Strategy. Over the last 12 months, we have been busy implementing it. I have been impressed by our teams' willingness to integrate our ESG priorities across the Group's development, investment, and asset management activities, and I am excited to share this annual update on the sustainable transition to clean energy which they are enabling.

Our second Group-level Sustainability Report details how our Sustainability Framework guided our quest to create positive outcomes for people and nature in the first year of its implementation. Over the course of the year, I witnessed how empowered people lead transformative change. We now have 13 dedicated ESG professionals across the Group's companies. Their drive has percolated throughout the organisation to create a culture of enthusiasm and dedication towards a more prosperous future for all. The internal and external connections they have consolidated are testament to our Value to *Build Trust*; it is the trusted relationships we actively cultivate which are fuelling our best-in-class approach to ESG.

Our teams' bold, forward-thinking spirit, which is inspired by our Value to *Be an Innovator* also stood out to me this year. Highlights include our first sustainability thought leadership series, *Thinking Now and Next*, which shares some of the lessons we have learnt as early movers in the renewables

and responsible investment spaces; NextEnergy Solar Fund publishing its Approach to Nature, which set a new benchmark for driving dual action for nature and climate; and, NextEnergy Capital introducing a Green Finance Framework, which was awarded a Dark Green rating, the highest possible rating awarded by S&P's Shades of Green Analytical Approach.

We are not driven by regulatory requirements and pure risk mitigation. We are driven by a willingness to make a difference. Notwithstanding, we recognise the need to remain abreast of evolving ESG regulation and see new sustainability requirements as a mechanism to deepen the integration of our Sustainability Strategy across the Group. In the last year, we advanced more regulatory and policy initiatives. In particular, we began the work to comply with the EU Corporate Sustainability Reporting Directive (CSRD) and its accompanying European Sustainability Reporting Standards (ESRS). If the European Commission's omnibus package is agreed by the both the European Parliament and Council, NextEnergy Group will no longer be in scope of the CSRD. Still, we have used the ESRS's reporting areas to structure our communication in this Sustainability Report, demonstrating our commitment to pioneering forward-looking, transparent sustainability disclosures.

I hope you will find this Report both informative and inspiring. I am confident that 2024 sowed the seeds for NextEnergy Group to accelerate the transition to clean energy in the years to come, a transition with people and nature at the centre of actions for a more prosperous future.

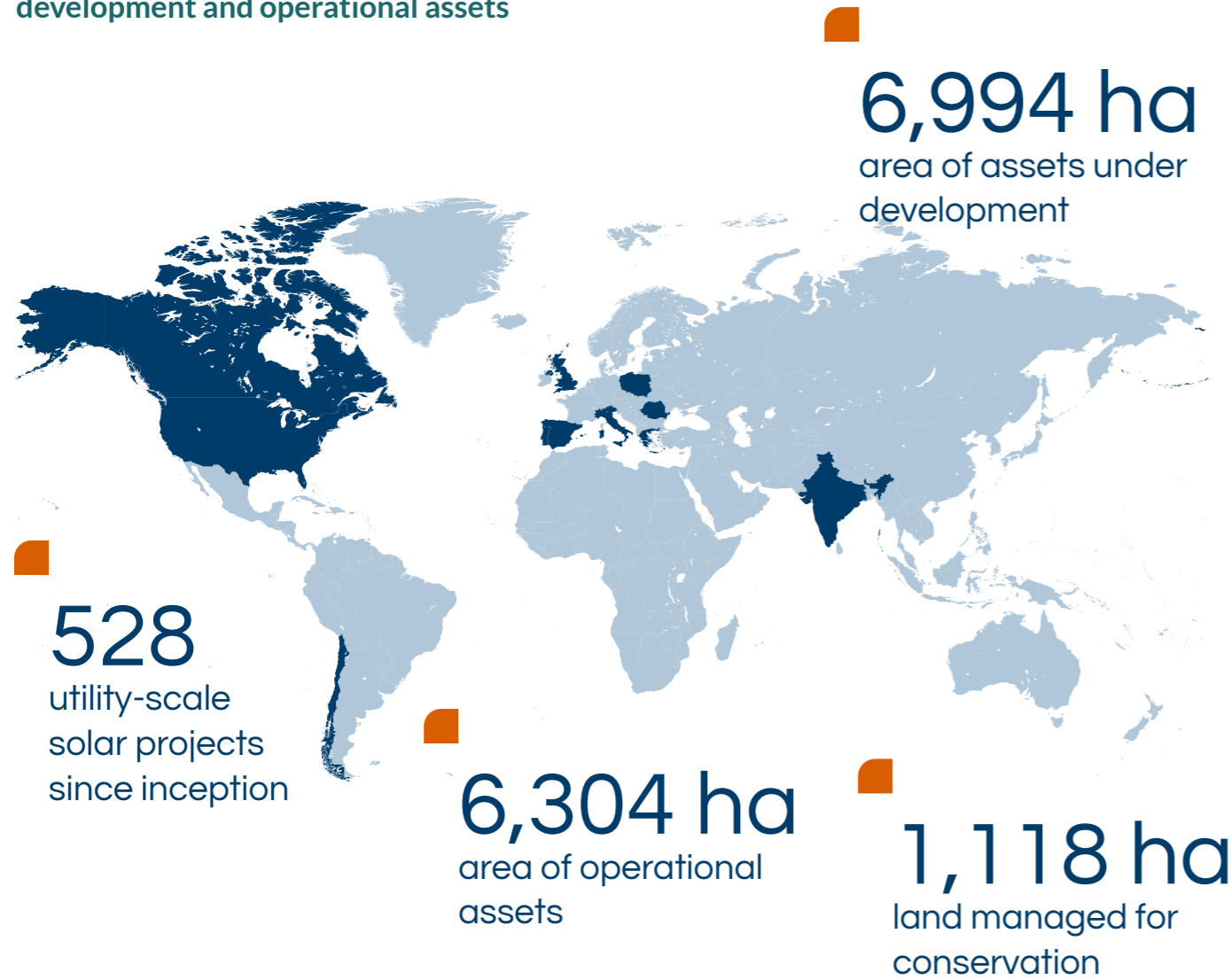
### Continuing to Improve

This Report provides a non-exhaustive update on the work we are undertaking. At NextEnergy Group, we strive for excellence and welcome any feedback that you may have on the topics discussed in this Report. Please get in touch with our ESG team at [esg@nextenergygroup.com](mailto:esg@nextenergygroup.com)

**Giulia Guidi**  
Group Head of ESG

# Our Global Presence

NextEnergy Group's global presence across development and operational assets



**12GW**  
under development

**4**  
funds

**+ 2GW**  
installed capacity

**+ 1GW**  
under construction

**17 startups**  
in the portfolio

**£3.4 m**  
raised

**85 projects**  
supported

**+ 3.5GW**  
total managed capacity

**+1,500**  
solar assets under management

Figures are as at the time of publication in March 2025, unless indicated otherwise

Hectares of land managed under Biodiversity and Nature Management Plans implemented as at 31 December 2024



## 2. OVERVIEW

### 2.1 Who we are

Since 2007, NextEnergy Group has been on a mission to generate a more sustainable future by leading the transition to clean energy generation.

The Group comprises five companies: NextEnergy Capital (investment management), WiseEnergy (asset management), Starlight (asset development), NextSTEP (VC sustainability accelerator) and NextEnergy Foundation (international charity).

Since our inception, our Group companies have covered all stages of the solar value chain, from project development to operational asset management and decommissioning. As the energy transition accelerates, we are developing and enhancing our capabilities in other renewable energy technologies, such as wind and battery energy storage. We deliver exceptional performance throughout the investment cycle because our companies work together to pursue the same mission, and our people are united by one set of Values.

NextEnergy Capital (NEC) is a leading global investment manager in the solar energy infrastructure sector. NEC's business activities focus on solar energy and complementary technologies, including energy storage, which we refer to as **Solar+**. We have built a strong track record: investing in 528 utility-scale solar projects from inception to the time

of publishing this Report, as a combination of assets under development, construction, or operation, or which have been disposed, and 652MWp in battery energy storage. At the time of publishing this Report, our installed capacity of solar and battery energy storage assets is in excess of 2,110MWp across the UK, Europe, North and South America and Asia.

NEC is the investment manager of one of the largest listed solar investment companies, NextEnergy Solar Fund (NESF), and the first international solar infrastructure investment vehicle, NextPower III (NP III). It manages an additional two private equity ESG funds – NextPower UK (NPUK) and NextPower V (NPV) – and sold an entire portfolio of operating solar projects owned by NextPower II in Italy in January 2022.

NextEnergy Group has also established one of the largest operating solar asset managers globally, **WiseEnergy**, with 3.5GW total managed capacity. Additionally, our in-house development arm, **Starlight**, has c.12GW Solar+ and wind projects under development and, at the time of publishing this Report, **NextSTEP** has invested in 17 startups, to scale and accelerate solutions for a more sustainable future.

Our international charity furthers our mission. NextEnergy Foundation has raised over £3.4m to date, supporting projects in 27 countries to alleviate poverty through access to renewable energy and carbon emissions reductions. As the founding sponsor of the NextEnergy Foundation, the Group has pledged at least 5% of its net annual profits to the Foundation.

## 2.2 2024 Sustainability highlights



**JANUARY**  
We kicked-off the year with the launch of NextEnergy Group's new Sustainability Strategy. The Strategy was published in our flagship Group Sustainability Report. NextEnergy Capital also published its first TCFD Report.



**MARCH**  
NextEnergy Group achieved carbon neutrality from 2022. The Group level excludes the financed emissions from NextEnergy Capital's funds. Becoming carbon neutral is one of the first steps in our net zero ambition. We selected nature-based projects from which to acquire verifiable offsets so that we extend the Group's nature positive impact beyond our direct operations.



**MAY**  
NextEnergy Group was selected to feature in a digital series by the Chartered Financial Analyst Institute (CFA), *Investing for Tomorrow's Future*. The series was launched at the CFA's annual Sustainability Conference and it highlights the urgent need to integrate climate change and natural capital considerations into investment decision-making. Find out more about NextEnergy Group's contribution here: [NextEnergy Group | Investing For Tomorrow's Environment](#)



**JULY**  
Our Founding Partner and CEO, Michael Bonte-Friedheim, had the honour of meeting with King Charles III during His Majesty's visit to Guernsey. Michael and King Charles III discussed the importance of collaborative efforts in addressing pressing environmental challenges, and solar energy's pivotal role to contribute to global sustainability goals.

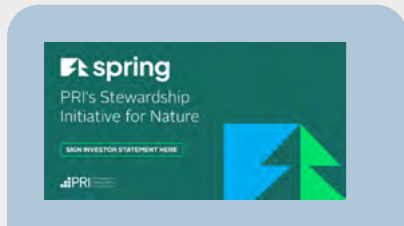


**SEPTEMBER**  
NextEnergy Capital launched an exciting sustainability thought leadership series: *Thinking Now and Next*. We know that the relationship between people and nature is intricate. But we also know that solar has the power to create positive outcomes for both. Throughout the series, we share the lessons we have learnt by being a responsible, global investment manager since 2007. Delve into our insights here: [Thinking Now and Next - NextEnergy Capital](#).



**NOVEMBER**  
After more than one year of work, we launched NESF's Approach to Nature. The Approach outlines NESF's strategy for nature with clear goals designed to avoid and manage nature-related risks while opening opportunities to create and capture value from evolving nature markets. The Fund is the first of its peers to deliver a science-driven, evidence-based, stand-alone nature strategy with clear targets to protect and restore nature, setting a new benchmark for driving dual action on nature and climate.

JANUARY    FEBRUARY    MARCH    APRIL    MAY    JUNE    JULY    AUGUST    SEPTEMBER    OCTOBER    NOVEMBER    DECEMBER



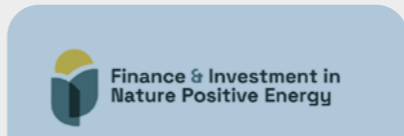
**FEBRUARY**  
NextEnergy Capital became an official member of the European Commission's [Business & Biodiversity Platform](#). NEC was also one of the first UN PRI Signatories to endorse the [Spring Initiative](#). We are collaborating to take decisive action for a nature positive future.



**APRIL**  
NextEnergy Group's global offices in Milan, London, Madrid and India joined together to promote mental health awareness. Teams enjoyed a spread of healthy food and took part in numerous health and wellbeing initiatives, covering fitness, sleep quality and financial health.



**JUNE**  
In celebration of World Bee Day, WiseEnergy showcased the *Adopt a Beehive* scheme which it has rolled out across several UK solar assets. This year, WiseEnergy and NextEnergy Capital have worked closely with dedicated local beekeepers to set up hives which are enhancing biodiversity by increasing pollination, while boosting community engagement via local beekeeping associations.



**AUGUST**  
NextEnergy Capital announced a new research collaboration with NESF, the University of York and Lancaster University. *Finance & Investment in Nature Positive Energy (FINE)* is dedicated to identifying nature positive investment opportunities and developing robust metrics for their monitoring and reporting through renewable energy value chains. This collaboration is paving the way towards our shared goal of net zero, ensuring that future social and economic developments benefit nature, while maintaining a thriving economy. Find out more on the project website: [Nature Positive Research](#)



**OCTOBER**  
The UK Government relaunched the Solar Taskforce to accelerate the delivery of solar energy across the country. Ross Grier, NEC's Chief Investment Officer, is a key member of the Taskforce because we are committed to help the UK to achieve its emissions reduction targets.



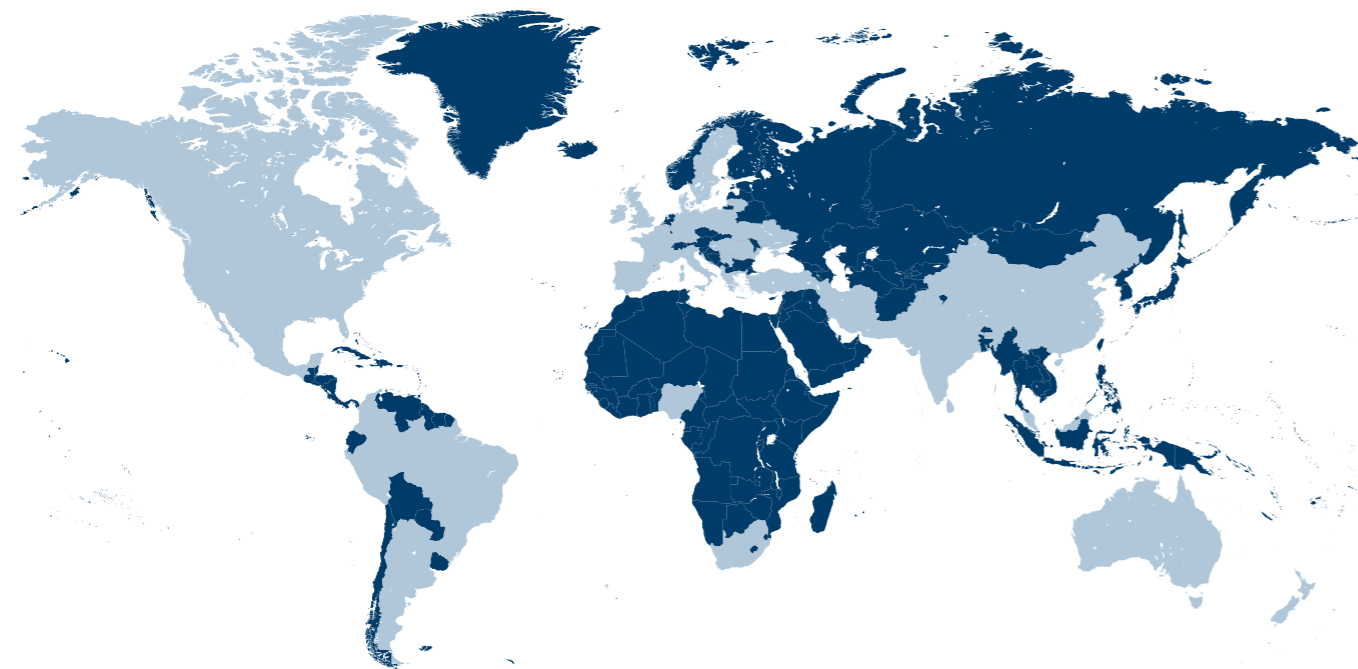
**DECEMBER**  
We ended the year on a high. Starlight achieved a significant milestone in advancing Alberta's renewable energy landscape with nearly 2 Gwp of solar capacity in development. NextEnergy Capital was awarded the top 5-star rating for its second consecutive year in all applicable modules of the UN PRI's 2024 Benchmark Assessment. NextSTEP was also spotlighted in EU-Startups for the fund's strategic investment into five UK-based CleanTech startups, each developing innovative and sustainable solutions around recycling.



The Group's 2024 Annual Employee Engagement Survey indicated that again, around 85% of our employees 'felt genuinely supported to take advantage of flexible working policies'.

## 2.3 Our people, diversity, equity and inclusion (DEI)

38  
Nationalities



NextEnergy Group comprises exceptional teams of driven people who are passionate about leading the transition to clean energy.

Throughout our history, we have been committed to cultivating and preserving a culture of connectedness that values difference and gives space for individual expression. We do not pursue diversity for its own sake, but instead strive for inclusiveness through our mindset, policies and practices because we want to create an environment where everyone can thrive. Our in-house Talent team looks for individuals who reflect our Values, and we believe that this is part of the reason for our high retention rate.

The Group's 2024 Annual Employee Engagement Survey indicated that again, around 85% of our employees 'felt genuinely supported to take advantage of flexible working policies'. This stable, positive result is set against the gentle encouragement for more face-to-face contact in order for teams to foster more connectedness and productivity. It also demonstrates that the Group continues to find a good balance between enabling flexible working and reaping the benefits it brings, in particular to those with caring responsibilities, and the equally important need for in-person collaboration.

Our talent acquisition process is led by NextEnergy Group's Talent team. Given the Group's growth profile, our approach to DEI is at the forefront of this process. Examples of the practices and initiatives led by the team over the last year include:

- **Anti-bias training and coaching for hiring teams:** Our training programmes have been instrumental in raising awareness about unconscious biases and industry trends, significantly improving the Group's interview practices and candidate evaluations.
- **Applicant Tracking System (ATS):** The adoption of ATS technology has enabled structured, skills-based feedback, contributing to a more equitable and transparent selection process.
- **Diverse interview panels:** We have ensured balanced gender representation on interview panels wherever possible.
- **Flexible and inclusive selection:** Recognising diverse candidate needs, we have introduced flexible hiring options, such as video interviews and concise interview formats. This approach has allowed us to accommodate varying candidate schedules, enhance accessibility, and promote inclusivity in the hiring process.
- **Potential-focused candidate evaluation:** We now consider candidates' full potential and transferable skills over solely relying on past experience. This approach has widened our talent pool, promoting greater diversity and innovation. We have also improved how soft skills are assessed and valued, addressing gaps where they have often been overlooked, especially by male interviewers.
- **Strategic partnerships and networks:** To support and empower our female workforce, we have partnered with organisations such as Women in Solar Europe (WiSEU), offering networking opportunities and professional development resources. These partnerships underscore our dedication to creating an inclusive workplace and supporting our employees' career growth.

- **Streamlined job descriptions and greater process transparency:** The Talent team has standardised and clarified job descriptions, and has invested time in ensuring candidates fully understand the recruitment process, timelines, interview procedures, and employment conditions.

363  
Employees

38%  
Identify as female

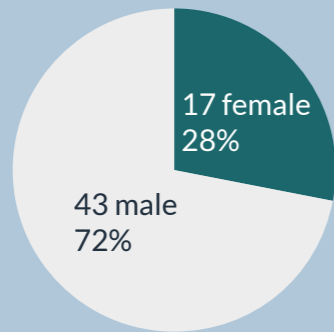
## Focus on Gender

NextEnergy Group is committed to providing an environment in which all genders can thrive and feel supported to reach their potential. Our Talent team has found it challenging to recruit women for some finance, development, engineering and IT roles. However, the Group's gender balance is in line with the availability of candidates in the sustainable finance and renewables markets.

We are also proud to share that in the last year, the Group has made notable progress in terms of the seniority of its female staff who are taking up management roles. This is happening at a very fast rate and is closing the gap between the proportion of men vs women who are managers. Between December 2023 and November 2024, female managers across NextEnergy Group increased by 34%. In addition, from 2025 our most senior leadership team – the Group Leadership Team (GLT) – will be made up of 50% females and 50% men.

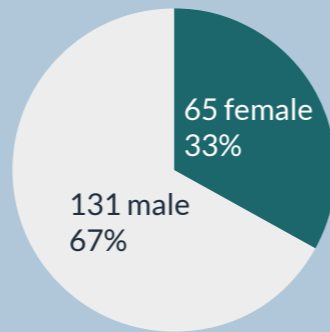
NextEnergy Capital

60  
people



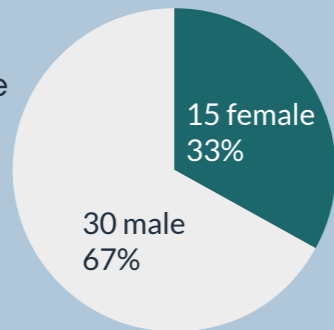
WiseEnergy

196  
people



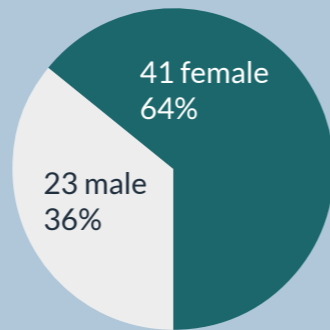
Starlight

45  
people



Central Functions

64  
people



As at 31 December 2024



## 2.4 Our values

We are one Group with one set of Values which are the impetus for us to grow and achieve our mission. The Values are not only important to us individually, but they are also a common thread joining our companies together. We strive to help create a great workplace where everyone can contribute, develop and shape their future, as well as the Group's.



BE A LEADER



BUILD TRUST



BE RESPONSIBLE



BRING YOUR ALPHA



BE AN INNOVATOR

## 2.5 ESG team and sustainability resources

NextEnergy Group has a dedicated ESG team. The team is led by the Group Head of ESG, Giulia Guidi, who reports to the Founding Partner and CEO, Michael Bonte-Friedheim. The ESG team advances sustainability through multiple channels across the Group. Different team members are dedicated to the different companies' activities, and the Group benefits from subject matter experts whose knowledge supports the investment due diligence processes and strategic projects.

Pre-acquisition, the team works closely with NEC's Investment, and Construction and Procurement teams to ensure the full integration of the Sustainability Strategy. Post-acquisition, it liaises with NEC's Portfolio Management and WiseEnergy's Commercial and Technical teams. ESG team members are also actively engaged with responsible investment associations, and hold Chairing positions for key industry working groups.



**Giulia Guidi**

Group Head of ESG /  
NextEnergy Group

Giulia has more than 25 years' experience in ESG and Sustainable Finance. She oversees the implementation of the Group's Sustainability Strategy and its integration across the business.



**Hing Kin Lee**

Senior ESG VP - Nature Lead /  
NextEnergy Group

Lee has 20 years' experience in the environmental sector, and leads on nature and natural capital integration.



**David Hawkins**

Senior ESG VP - Climate and Regulation  
Lead / NextEnergy Group

David has over 15 years' sustainability and environmental experience in the energy sector, and oversees the development and implementation of climate transition and net zero activity.



**Flavia Galdiolo**

Senior ESG Associate - Policy,  
Governance and Strategy /  
NextEnergy Group

Flavia leads NextEnergy Group's strategic sustainability and ESG engagement and communication, and manages the NextEnergy Foundation.



**Kristina Vucic**

ESG Associate - Data Strategy, Intelligence  
and Regulation / NextEnergy Capital

Kristina has over 13 years' experience in location-based data analytics, automation and information management.



**Kevin McCann**

Senior ESG Associate - Sustainability  
Supply Chain / NextEnergy Capital

Kevin supports a range of transaction, supply chain and due diligence initiatives to ensure responsible investment across the Company's portfolio.



**Marianna Ricca**

ESG Associate /  
NextEnergy Capital

Marianna undertakes due diligence for acquisitions and identifies key risks and compliance gaps with international standards.



**Olivia Arden**

Senior ESG Analyst /  
NextEnergy Capital

Olivia has been working in sustainable finance since graduating from university. She joined the Group to support the ESG due diligence for UK acquisitions



**Valeria Ramos**

ESG Analyst / NextEnergy Capital

Valeria has been working in sustainable investing since graduating from university. She joined the Group to support the ESG due diligence for NPIII and NPV.



**Begoña Rodrigo Llodio**

ESG VP - Environment and Community /  
Starlight

Begoña has over 16 years' ESG experience in the energy sector. She joined Starlight to support the company to implement the Group Sustainability Strategy within Starlight's operations.



**Serena Thaker**

ESG Manager / WiseEnergy

Serena joined WiseEnergy in 2019 and is responsible for managing and coordinating ESG delivery requirements across the funds.



**Marnie Winston-Fletcher**

Environmental Analyst / WiseEnergy

Marnie is responsible for ensuring Local Environmental Management Plan compliance across the operational UK portfolio.



**Joseph Baker**

Junior ESG Analyst / WiseEnergy

Joe drives the implementation of ESG action plans for NPIII and NPUK. He actively oversees ESG incident monitoring across operational assets and gathers operational data for SFDR reporting.





### 3. NEXTENERGY GROUP'S SUSTAINABILITY STRATEGY

#### What does sustainability mean to us?

NextEnergy Group is committed to leading the transition to clean energy generation in a responsible manner.

As one of our Values, *Being Responsible* is an intrinsic part of our mindset. We hold ourselves to the highest social, environmental and business standards because we maintain that contributing to a more sustainable future demands nothing less.

Our focus is on developing, investing in and managing renewable energy infrastructure assets and complementary technologies, such as energy storage. But we recognise that our role in society goes beyond safeguarding and accelerating the transition to a low-carbon economy. As such, we aim to maintain our market leadership in integrating sustainability into all our activities in a way which generates prosperity for all our stakeholders.

NextEnergy Group's Sustainability Strategy sets out our commitment to ensuring that our sustainability and ESG priorities are fully integrated in the Group's activities.

It provides the impetus for us to continue to proactively identify areas to effect positive change for people and planet.

The Strategy is underpinned by a Framework which begins with our mission and is orientated by three ESG priority areas: **People, Nature and Prosperity**. The Framework is the foundation of our Sustainability Strategy and structures our concerted approach to sustainability as a Group.

Three focus topics underlie each priority area. They align with the global ESG agenda and are material for our business activities, the solar industry, and our Values. As the Group's activities evolve into new renewable energy technologies, we will refine our Strategy to continue leading the transition to renewable energy and the broader sustainable investment sphere.

The progress we have made in 2024 to advance positive outcomes against our Framework is detailed on pages 18-37. We also recognise that addressing material sustainability challenges and opportunities may involve balancing competing interests. We see **Good Governance, Stakeholder Engagement and Supply Chain Management** as the levers through which to advance improved outcomes for both the Group and our stakeholders. Please refer to Section 4 for more details.

#### Translating commitment into action

The myriad social and environmental challenges we face today require transformative and decisive action. After all, it is the actions we take – the real world impacts we create – which matter the most. Our proactive and innovative approach puts us in a strong position to lead this action because we know that *Being a Leader* is not a position or a rank; it is the desire to pave a path for others to follow.

Over the last year, we have begun implementing our Sustainability Strategy and Framework across the Group,

translating commitment into action. A key focus of our work is to demonstrate continuous progress and to deliver short-term positive impacts on the way to achieving our long-term commitments.

The remainder of this section details the ways in which we have created impact for the priority areas in our Sustainability Framework this year.





## Nature

Solar energy is a plentiful and sustainable source of energy. It is also an economic and effective way to mitigate climate change whilst ensuring prosperity for people and planet.

NextEnergy Capital's funds are classified as Article 9 under the EU Sustainable Finance Disclosure Regulation (SFDR) because our core business focuses on mitigating climate by avoiding carbon emissions. Yet, we recognise that constructing and operating renewable energy assets whilst continuing to combat climate change is not exempt from negatively impacting nature in some ways.

As a Group, we are committed to mitigating impacts on nature as much as possible, and supporting the shift towards restoration and nature positive outcomes. To do this, we are focused on addressing climate change, halting and reversing nature loss, and encouraging circularity in the solar value chain.



## Climate

### Principles and policies

Climate change poses both physical and transitional risks. It is a primary driver of nature loss, with implications for geopolitics, social cohesion and economies. It is only by recognising these interdependencies that we can achieve a more prosperous future for people and nature.

Meeting the goals of the **Paris Agreement** requires a tripling of renewable energy capacity and a doubling of energy efficiency by the end of this decade. Crucially, renewable energy is not only an economic and effective way to mitigate climate change, but also one which ensures shared prosperity.

By operating across five continents and focusing our investments in renewable energy and complementary technologies, we are in a strong position to contribute to global efforts to reduce greenhouse gas emissions.

Our approach to climate change mitigation is governed by a [Climate Position Statement](#), which is part of NextEnergy Group's Sustainability Policies (Section 4). It is aligned with the targets of the Paris Agreement, and the ultimate aim is to facilitate investing to achieve net zero emissions on a global scale.

In line with the **Task-Force on Climate-Related Financial Disclosures (TCFD)**, the Group Head of ESG also sits on the NextEnergy Group Risk Committee, overseeing climate-related risk and broader ESG risks associated with all of the Group's business activities.

### Actions

In the last year, we have refined our business activities to advance positive, synergistic outcomes for climate and nature. We have strengthened the climate risk identification, mitigation and standards for our investments. We have developed a Nature Strategy which concretises our work to demonstrate the power of intertwining climate change mitigation and nature restoration. We have also begun

assessing the emissions profiles of our solar PV and battery storage supply chains to enhance the resilience and sustainability of the Group's sourcing activities.

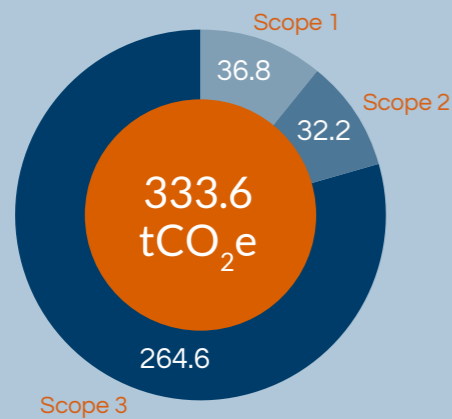
Our actions to understand and improve the NextEnergy Group's and the Group companies' emissions profiles are guided by a **Climate Transition and Net Zero Strategy**. This strategy is aligned with the **UK Transition Plan Taskforce (TPT) framework** and the recognised international frameworks to which the TPT makes reference, such as the **TCFD, ISSB** and the **Glasgow Financial Alliance for Net Zero (GFANZ)**.

### Commitments and Targets

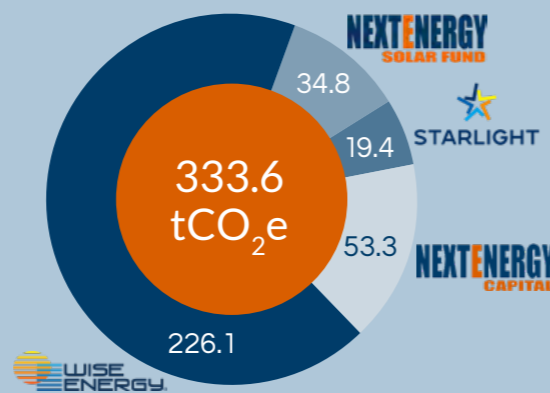
Our ambition is to achieve net zero by the statutory deadline of 2050, if not earlier. The Group's Climate Transition and Net Zero Strategy is time-bound and clearly establishes how we will adapt our business to meet with, or exceed, the latest and most ambitious climate science recommendations. In 2025, we aim to set targets for NEC and its funds in line with the internationally-recognised **Science-Based Targets Initiative (SBTi)** or similar frameworks, such as the Transition Plan Taskforce guidance. These targets will be for each fund's financed emissions, including across construction- and operational-based emissions, and those embedded in our supply chain.

Our ambition is not only to accelerate our own pathway to net zero, but also to support our suppliers to accelerate their own pathways. This is because NextEnergy Group's Scope 3 emissions – which are composed almost entirely of the financed emissions from NEC's funds – are the most material to our business, and the financial sector. In addition to a decarbonisation dependency map that includes our supply chain, we have also conducted a dedicated climate risk review of our supply chain. Both of these approaches allow us to take to proactively help our suppliers to understand and manage their climate-related risks in a more targeted way.

Emissions by Scope<sup>(1)</sup>

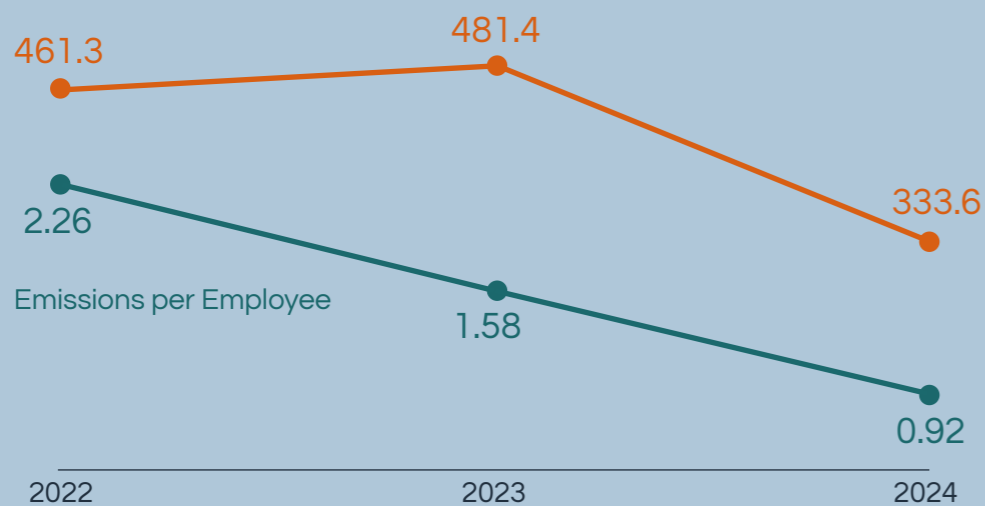


Emissions by Entity<sup>(1)</sup>



NextEnergy Group Total Emissions and Emissions Intensity<sup>(2)</sup>

Total Group GHG Emissions (tCO<sub>2</sub>e)



(1) Emissions calculations for NextEnergy Group exclude financed emissions from the funds. As at 31 December 2024.

(2) Emissions calculations for NextEnergy Group exclude financed emissions from NEC's funds. The year-on-year reduction in emissions from 2023 to 2024 reflects the application of a spend based methodology in 2024 for air travel data. This methodology uses air travel costs captured within broader travel expense.

### NextEnergy Group and Net Zero

For us, becoming carbon neutral at the Group level is one of the first steps in our net zero ambition. The Group level excludes the financed emissions from NextEnergy Capital's funds, for which a decarbonisation plan is being developed in line with the Transition Plan Taskforce's Disclosure Framework. Since 2022, we have calculated the Group's annual Scope 1, 2 and 3 emissions<sup>1</sup> with the support of an independent third-party advisor. The Group's Scope 1, 2 and 3 emissions for the year ending 31 December 2024 were 333.6t CO<sub>2</sub>e (Figures 1 and 2).

This is a decrease of 147.8 tonnes compared to 2023. The significant decline reflects the Group's efforts to reduce our carbon footprint following the mitigation hierarchy (i.e., avoid, reduce, restore and only then offset). Importantly, despite the Group's growth from 304 people in 2023 to 363 in 2024, our emissions intensity has declined (Figure 3). Indeed, as part of our net zero ambition, we remain focused on reducing our emissions, and are committed to offsetting our residual emissions with verifiable offsets to achieve carbon neutrality.

1 Excluding financed emissions from NextEnergy Capital's funds

### NextEnergy Group is Carbon Neutral since 2022

This year, we offset NextEnergy Group's carbon emissions for the first time. Starting from a baseline of 2022, we purchased credits from two projects to offset the Group's 2022 and 2023 Scope 1, 2 and 3 emissions, which were 461.3t CO<sub>2</sub>e and 481.4t CO<sub>2</sub>e respectively.

We selected nature-based projects because we recognise that our continued success not only depends on leading the clean energy transition, but also safeguarding nature. The projects will extend the Group's nature positive impact beyond our direct operations, thus contributing to our vision for a nature positive future.

#### Why these countries?

Pakistan and Myanmar are strategically important for NextEnergy Group from a nature perspective: they are geographies where solar suppliers are exposed to high biodiversity and water basin risks. For example, Myanmar is the third main producer of tin, a raw material in the solar supply chain. These exposures were identified in the materiality assessment conducted as part of NextEnergy Group's Nature Strategy. This means that the projects' conservation and restoration activities advance our efforts to prevent material loss of natural ecosystems in our supply chains, thus complementing the efforts in our direct operations.

#### 2022 Delta Blue Mangrove Project

The Delta Blue Mangrove project protects and restores 350,000 ha of tidal river channels and creeks, low-lying sandy islands, mangrove forests and intertidal areas on the south-east coast of Sindh, Pakistan. Before the project activities started, the region was in a vicious cycle of poverty and lacked access to education, clean energy and clean water. The project is returning the area to its natural state, sequestering 142 million tonnes of CO<sub>2</sub> and creating 21,000 full-time jobs over its 60-year lifetime.

#### 2023 Myanmar Mangrove Project

The project selected to offset the Group's 2023 carbon emissions is in the Ayeyarwady Division of Southern Myanmar. The objective of the project is to restore 2,265 ha of degraded land by establishing and maintaining a sustainably managed mangrove ecosystem. A vital component of the project is the conservation of biodiversity and the establishment of the first mangrove gene bank in Myanmar.



2 The Group's emissions exclude the financed emissions from NextEnergy Capital's funds

## Nature

### Principles and policies – include Nature Steering Committee

Nature is essential for life on Earth and intrinsically linked to our well-being and economic stability. We cannot create a more prosperous future for people without having a safe operating space within which nature can thrive.

Despite the **Kunming-Montreal Global Biodiversity Framework (KM-GBF)**<sup>3</sup>, the key components of nature continue to decline at an unprecedented rate, and action to halt and reverse this loss is falling short of meeting the KM-GBF's goals<sup>4</sup>.

Our nature-related principles are driven by the understanding that we must rethink our nature impacts and dependencies to create transformative change and reverse these trends. At NextEnergy Group, we envision a future where every individual and business activity acts to halt and reverse nature loss to enable full nature recovery over the long-term. We are working for a nature positive future.

Our approach is governed by a [Nature Position Statement](#), which is part of NextEnergy Group's Sustainability Policies (Section 4). Our nature-related activities are coordinated by a Nature Steering Committee, which we established this year to monitor the rapid progress we are making on nature, and to approve relevant plantand budgets.

### Actions

We have been actively improving the local environment around our solar assets since 2014. In the last year, we have worked hard to develop a [Nature Strategy](#) for the Group. The Nature Strategy builds upon the lessons learnt from our

environmental management activities to date and reflects our recognition of the importance of nature to our operations. It establishes a structured framework which will guide our actions to strengthen our relationship with nature going forwards.

Internally, we have taken action to transform our business model and the solar sector by updating our due diligence and risk management procedures to include guidelines to integrate dual land-use programmes, such as grazing and natural meadows, with our Solar+. We have also established a system to identify sensitive or high-priority sites where we develop and implement Nature Management Plans (NMPs) to mitigate impacts and restore biodiversity values on site. These NMPs are crucial for our biodiversity management efforts; they are more holistic than our historical Biodiversity Management Plan (BMP) programme and will supersede the BMPs.

Externally, we have continued to engage with stakeholders across our value chain – including with our communities, suppliers, investors, industry associations, service providers, NGOs, and academia – to drive the normative shift needed to effect meaningful and lasting change towards a nature positive future. This includes through programmes such as the **Solar Stewardship Initiative (SSI)**, the UN PRI's Biodiversity Working Group (Section 4), and the research projects we are leading (see p.37).

### Commitments and Targets

Our Nature Strategy summarises our approach to addressing nature-related challenges, including the scientific basis and logical framework underpinning our approach, as well as our ambitions, delivery framework, governance, and targets. Highlights are on the right with full details on p.24:

## CFA Campaign

At the beginning of this year, NextEnergy Group was selected to feature in a digital series from the CFA Institute, *Investing for Tomorrow's Future*. The series highlights the

urgent need to integrate climate change and natural capital considerations into investment decision-making. This is the responsible and sustainable investment model which we pursue in all our activities.

The series was officially launched at the CFA's annual Sustainability Conference, which two of the Group's ESG team members attended. This was followed by a six-month targeted social media campaign to promote the role of investment professionals in unlocking sustainable investment solutions to climate change even more widely.

Visit the Group's dedicated micro-site and watch the videos to learn more about how we are promoting scalable solutions to halt and reverse nature loss, and to lead the solar and sustainable investment industries to do the same:

[NextEnergy Group for a Nature Positive Future](#).



NextEnergy Capital also intends to participate as **Early Adopters** of the **Taskforce for Nature-related Financial Disclosures (TNFD)** and the **Science Based Targets for Nature (SBTN)**. These are the internationally recognised

frameworks which will enable us to set meaningful nature-related targets over the next year. We will tailor these targets based on the findings of the materiality assessment we conducted to develop the Group's Nature Strategy.

Highlights of the Group Nature Strategy include:



**No Conversion of Natural Ecosystems, a Science Based Targets Network (SBTN)-aligned commitment to prevent the material loss of natural ecosystems in direct operations and supply chains;**



**Responsible Land Use will be achieved through updated nature-related risk management procedures; and,**



**30x30 Nature Restoration Target, to restore natural ecosystems in the regions where NextEnergy Group operates and which need support.**



**Supply Chain Transparency and Sustainability Target, to ensure that the resources we depend on are sourced responsibly and in a transparent manner.**

<sup>3</sup> Convention on Biological Diversity (2022), [Final text of Kunming-Montreal Global Biodiversity Framework available in all languages](#), Convention on Biological Diversity  
<sup>4</sup> World Wildlife Fund (2024, 30 September), [New Analysis Reveals Countries are Falling Short on Nature Pledges Ahead of CBD COP16](#), World Wildlife Fund

**NextEnergy Group's Nature Targets and KPIs aligned with the Kunming-Montreal Global Biodiversity Framework and the Science Based Targets Network**

**GOALS**



Supply Chain Transparency and Sustainability



No Conversion of Natural Ecosystems



Responsible Land Use



30x30 Ecosystem Restoration Initiative

NEXTEnergy GROUP INTERIM TARGETS	TARGET YEAR
90% of total annual sourcing by mass traceable to Tier 1	2025
90% of net annual sourcing by mass of High Impact Commodities traceable to origin	2027
100% of total annual sourcing by mass traceable to origin	2030
90% of total annual sourcing by mass from suppliers with commitments aligned with the KM-GBF	
No conversion in direct operations	2025
No conversion in supply chains	2030
Full remediation of all post-2020 conversion	
Nature management plans for all assets located in sensitive areas	2028
30% of managed land under dual-use	2030
Restoration of natural ecosystems in the ecoregions where NextEnergy Group operates up to 30% of the Group's land-use footprint	2030



**CASE STUDY**

**Decommissioning with UK Solar Trade Association**

As part of industry activity and its internal sustainability programme, NEC is developing a workstream to ensure the responsible reuse, recycle or disposal of decommissioned solar modules. The Group's Senior ESG Associate chairs the Solar Energy UK Responsible Sourcing Steering Group which was formed to work with key stakeholders to unravel the complexity of the sector's supply chain. Through this forum, we are contributing to industry and government discussions on decommissioning.



**Circular economy**

**Principles and policies**

Resource scarcity, growing sustainability awareness, and increased consumer pressure are creating a push towards a more circular economy. The International Energy Agency's most recent forecast is that the world requires three times more renewable energy capacity by 2030 to limit warming to the 1.5°C target of the Paris Agreement<sup>5</sup>. This scale and pace of this growth relies on significant amounts of critical raw materials. These resources are finite, as is the waste assimilation capacity of our planet. Circularity in the economy implies reusing or recycling resources as much as possible in order to reduce waste and emissions, and create further value with what we already have.

Our ambition is to move towards a circular economy. This ambition extends from our own operations to our sourcing and supply chain decisions. Wherever possible, we seek to recycle or repurpose renewable energy components when they reach the end of their useful lives. We also engage extensively with our suppliers and contractors to ensure that they are applying the same principles as we are: to simultaneously minimise environmental impact and maximise resource recovery.

Next year, we will develop a Circular Economy Position Statement, which will become part of the Group's Sustainability Policies (Section 4). This Position Statement will concretise our approach to minimising waste, maximising resource recovery, and ensuring environmentally sound disposal solutions.

**Actions**

This year, we have begun the work to examine end-of-life issues at our assets and understand how we can support the most sustainable solar and energy storage industry possible.

Our ongoing efforts include remaining abreast of evolving waste-related legislation; engaging with our suppliers to improve their resource efficiency and waste management practices; and, actively engaging with solar trade associations to promote a value chain which drives environmentally responsible energy solutions.

Internally, we closely monitor the products, services, resources, and utilities that we use in our offices, selecting more sustainable alternatives wherever possible. We also promote behaviours to reduce our consumption. This is part of a continual process of self-improvement in order to put our Corporate Value to *Be Responsible* into practice every day.

**Commitments and Targets**

We are working to develop a Group approach to circularity which will take the whole value chain into account, starting from sourcing decisions and ending with decommissioning.

As part of our commitment to develop a robust and holistic responsible sourcing approach, we will engage our suppliers to incentivise more circular methods in our supply chain. We acknowledge that circularity in the renewable energy industry is a complex challenge to overcome. However, we are confident that the relationships we have sown with our suppliers and our Value to *Be an Innovator* will make sure that we increase circularity for the global renewable energy industry.

<sup>5</sup> [World Energy Outlook 2024 – Analysis - IEA](#)



## People

Renewable energy empowers lives. Our people are crucial to delivering our mission and Sustainability Strategy, and are at the heart of NextEnergy Group's success.

We are committed to taking people with us in the renewable energy transition because their ideas and wellbeing pave the path towards a more prosperous future. NextEnergy Group encourages the human capital development of our team members. We also work to sustain and grow the local communities in which our solar and energy storage assets operate, listening to their ideas to co-create positive outcomes.



At NextEnergy Group, we create long-term, shared value for the communities around our projects because our people come first.

## Health and Safety

### Principles and policies

Health and Safety (H&S) is a priority for NextEnergy Group.

We promote the highest H&S standards through a H&S Management System framework which applies to the sites and workplaces where the Group operates. Our approach extends to our Engineering, Procurement and Construction (EPC) and Operations & Maintenance (O&M) contractors, our communities, and throughout our supply chain.

We take a realistic, practical and pragmatic approach to H&S to ensure that our employees, contractors, and the communities in which we operate, are not negatively impacted by the activities we undertake.

### Actions

Our ethos is that good H&S cannot be delivered from a desk. By working alongside our operational teams and contractors at all stages of an asset lifecycle, our H&S team gains a better understanding of risk and behaviours, allowing us to take a realistic, practical and commercially-considered approach to Health and Safety.

In 2023 we appointed a Group H&S Manager to continue to drive improvements in our H&S performance both during construction and throughout the operational lifetime of our

assets. In 2024 we have continued to expand the H&S team, and began a process to reshape our H&S Management System framework to reflect the changing needs of the Group's evolving global business. Additionally, we have implemented a dedicated H&S incident tracker system which provides Senior Management with up to date and accurate incident dashboards.

We actively seek to identify and learn from H&S incidents: by utilising the investigative experience of our H&S team and the technical knowledge of other teams and contractors across the Group, we aim to understand causation and identify opportunities to mitigate all potential risks.

### Commitments and Targets

We are dedicated to ensuring that we safeguard the H&S of everyone at NextEnergy Group, and of all individuals who may be affected by our operations.

We seek to provide sufficient resources in order to maintain, monitor and, where necessary, improve our H&S performance. Our commitment is to exceed minimum applicable legislative H&S requirements, and we count on each one of the Group's team members to adopt our Value to *Be Responsible* and ensure that activities are carried out in compliance with them.

## Human Rights

### Principles and policies

The idea of human rights is as simple as it is powerful: that people have a right to be treated with dignity ~ United Nations Office of the High Commissioner for Human Rights

Respecting, promoting and protecting human rights in our own activities and throughout the solar and energy storage supply chains is fundamental to NextEnergy Group's approach to sustainability.

We have a zero-tolerance principle towards human rights abuses. We take our responsibility to uphold human rights very seriously, placing both people and their rights at the centre of NextEnergy Group's companies' business activities. The no-tolerance principle is fundamental to ensure no one falls victim to abuse, and to enable the Group to flourish in the longer term.

Our overall approach to human rights is governed by a [Human Rights Position Statement](#), which is part of NextEnergy Group's Sustainability Policies (Section 4). This is supported by our [Responsible Supply Chain approach](#), which includes NextEnergy Group's [Code of Conduct for Suppliers](#), and a Code of Conduct for Contractors. We will develop the latter in 2025 as part of our commitment to continue to evolve our approach.

### Actions

We know that the highest human rights risks lie within our supply chain which is why we not only take decisive action to implement our business conduct principles in our operations, but also throughout our supply chain our business relationships.

Within our direct operations, we regularly review our investment process – which starts with the initial screening and due diligence, and continues with a risk management

approach which runs all the way through to exit – to ensure that we continue to minimise any potential negative impacts on people as NextEnergy Group's activities grow.

In the last year, we have strengthened the due diligence and risk management on our investments and throughout the supply chain in order to better identify and manage potential human rights-related risks. Most of our action to ensure the highest human rights standards is related to the value chain because this is where there is the greatest potential for human rights-related risks to occur.

We are at the forefront of efforts to proactively promote sustainable sourcing within the solar industry. We support industry-wide action to ensure a more sustainable and ethical supply chain because we know that there is power in collaboration. This notably includes the Solar Stewardship Initiative (SSI), a major supply chain achievement to which we are a founding sponsor and supporter. NextEnergy Group's Head of ESG, Giulia Guidi, has been an SSI Board Member since the Initiative's inception and this year, one of our ESG Analysts was also appointed to the SSI's Traceability Technical Working Group.

### Commitments and Targets

Our commitment to respecting, promoting and protecting human rights in our own activities, throughout the solar and energy storage supply chains, and in our business relationships aligns with the **Universal Declaration of Human Rights<sup>6</sup> (UDHR)**.

We recognise the **OECD Guidelines for Multinational Enterprises on Responsible Business Conduct<sup>7</sup>** and the **International Finance Corporation's Performance Standards on Environmental and Social Sustainability<sup>8</sup>** as the frameworks through which to identify and manage human rights' risks.

Our business conduct principles follow the **UN Guiding Principles on Business and Human Rights (UNGPR)**, and we expect our partners to adhere to, and uphold, these same standards.



## CASE STUDY

### Engaging with suppliers in China

A key area where NextEnergy Capital seeks to influence change is by increasing the visibility of its supply chain and understanding the impact of manufacturing sites on nature. To support this, NEC uses third parties to carry out factory and traceability audits of suppliers. NEC also carries out direct engagement. For example, in June 2024,

representatives of the Group's ESG team and NEC's Construction and Procurement team visited China. Over two weeks the team members met multiple suppliers and auditors; visited manufacturing and processing sites, including a polysilicon refinery; and, represented NEC at the International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (SNEC), the world's largest solar trade show. Engagement activities like these enable us to build deep strategic relationships with manufacturers who can meet NextEnergy Group's high supply chain standards.

<sup>6</sup> United Nations, [Universal Declaration of Human Rights](#)

<sup>7</sup> Organisation for Economic Co-operation and Development, [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#)

<sup>8</sup> International Finance Corporation, [Performance Standards on Environmental and Social Sustainability](#)

## Community

### Principles and policies

At NextEnergy Group, we create long-term, shared value for the communities around our projects because our people come first. Our approach to community engagement is two-fold. We maximise local community involvement in project planning, development, and operations. We also invest directly in communities, responding to their needs and supporting their human capital development.

We know that part of the driving force behind biodiversity loss and ecosystem decline is the increasing disconnect between people and nature. Prioritising the needs of our communities who live in close proximity to nature ensures that the innovative solutions we create for a more prosperous future safeguard cultural and natural heritage. We learn through ongoing engagement with our landowners and communities, and our knowledge about how to simultaneously create people and nature positive outcomes continues to improve because of this. As we evolve into the agrivoltaics space, these engagements and this knowledge are the foundation for the shared outcomes which we want to achieve with our communities.

We also extend the priority we place on community engagement beyond our assets through the work of our international charity, the NextEnergy Foundation. As the founding sponsor of the NextEnergy Foundation, the Group has pledged at least 5% of its net annual profits to the Foundation.

### Actions

We aim for our approach to empowering communities to set a precedent of what a sustainable and just energy transition looks like. People-oriented and socially inclusive.

In the last year, we have continued collaborating with our landowners and communities to ensure that they are recognised as stewards of the land, and to promote their wellbeing and development. We share the same respect for nature as our landowners do, and we collaborate to restore and enhance it. We also listen to their development needs and ideas to co-create positive outcomes for a more sustainable, just and prosperous future. For this reason, we are developing a Group-level Social Strategy which will define our goals; structure our approach to stakeholder and community engagement; and, focus the dialogue we have with local communities to support their growth.



*“We explored installing [solar panels] on grazing land. We felt this to be a win-win situation, producing green energy, on land still being used for food production. We chose a developer who employed local people so we knew the local economy and communities would also benefit from our project.”*

Clive Sage, Landowner and Shepherd at Wyld Meadow Solar Farm

NextEnergy Foundation’s positive community impacts continue to grow. This year, over 485,000 local community members benefited from our active projects. The Foundation’s Trustees are dedicated to selecting projects where there is clear community engagement – from ensuring that projects are developed in response to the development needs which communities themselves want to prioritise, to training and empowering local people to operate the renewable technologies which the Foundation funds, NextEnergy Foundation supports community-driven sustainable development.



## NEC THOUGHT LEADERSHIP: THINKING NOW AND NEXT

In September 2024, NextEnergy Capital launched an exciting sustainability thought leadership series: **Thinking Now and Next**. The series aims to share some of the lessons we have learnt by being a responsible, global investment manager since 2007.

There are three parts to the series. The second piece highlights how solar energy is empowering our landowners and communities. Hear directly from them below, and read the full piece for more insights about our approach to people-powered solar – **Thinking Now and Next: People**.



*“The impact has only been positive. We were leaders in growing oregano in Chile, but now because of climate change, the land is unproductive. So we opted for an alternative activity. We are no longer worried about not having a stable income. The family is happy. We are all very happy.”*

Eduardo Pávez, Landowner at Belen Solar Farm, Chile



*“Because of the peaks and troughs of the weather, the solar panels give us the financial stability and income to reinvest in the whole farm as an enterprise”*

Matthew Hawthorne, Farm Manager at Honington Solar Farm, UK

### Commitments and Targets

Our commitment to understanding our communities’ needs and prioritising their ideas is founded on our Corporate Value to *Build Trust*. This is what drives the positive relationships we strive to cultivate with everyone we work with because the clean energy transition is driven by people.

Our aim is to power healthy and resilient communities by listening to, and learning from, landowners about the opportunities to continue generating lasting impact for people and nature through our solar projects.

We tailor our engagement strategy for each project. Wherever possible, we start forging connections even before we own a project, extending the same integrous, respectful and transparent approach from the acquisition to the ownership phases. For this reason, we maintain effective communication channels throughout the

investment cycle with all of our stakeholders, and establish grievance mechanisms with those stakeholders who are, or could potentially be, affected by our actions or by those of our suppliers.

In 2023, we began working with a specialist social consultant to develop a structured Stakeholder and Community Engagement Plan with the *Diaguita Huillanco* Indigenous Community in Chile. The Community lives close to a 9MW solar PV project owned by one of NEC’s funds, NextPower III, and the Plan responds to the Community’s development interests and priorities.

Building on the success of the Plan, we are now developing the Group-level Social Strategy. Our long-term aim is to ensure that we consistently deliver positive, enduring local impacts to the communities surrounding all our assets.





## CASE STUDY

### Community investment in NextEnergy Solar Fund

NextEnergy Solar Fund is a specialist solar energy and energy storage fund listed on the premium segment of the London Stock Exchange. The Company has been running a range of community engagement activities in the UK since its IPO in 2014. These activities have helped to build trust and foster positive relationships with stakeholders in the areas where NESF operates.

Following a successful pilot in 2022-23, NESF has continued its programme of charitable giving through the BizGive community funding platform. In 2024, NESF established four regional funds, and the platform enables community

groups to apply for funding from these. Examples of projects supported this year include:

- Science outreach events for students across Cambridgeshire;
- A collaboration with Earth Energy Education to embrace a future sustained by green energy through educating and empowering children;
- Training for teaching staff, outdoor learning sessions for students, and learning resources in line with the New Curriculum of Wales.

For more information on NESF's approach to community engagement, see the [NESF 2024 Sustainability and ESG Report](#).



## INDIA

In India, NEC and WiseEnergy are working closely to drive best practices in community engagement. In July 2024, WiseEnergy visited two of NEC's solar PV projects in India, receiving a warm welcome from the local communities because of the open and trusted relationship which already existed with them. In Odisha, a tree was planted at the site to illustrate the our commitment to nature. In Indian culture, tree planting represents hope and prosperity and is often done during inaugurations, dignitary visits, and special ceremonies.

The visits strengthened the relationships with the communities and provided the opportunity for the communities to reiterate their entrepreneurial objectives which NEC and WiseEnergy are prioritising. Crucially, in comparison with the previous project owners, we have ensured better governance around community benefits by including stakeholder rights' clauses in contractual arrangements. This gives local communities the confidence in NEC's and WiseEnergy's commitment to ensuring that the community does not rely solely on the asset, but has the skills required to prosper independently of it.



## CASE STUDY

### Community engagement in NextPower III ESG

NextPower III is NextEnergy Capital's flagship international solar infrastructure private equity fund. The fund is classified as Article 9 under the EU SFDR for its substantial contribution to climate change mitigation. It also generates broader environmental and social impacts in the countries and communities it invests into.



## Prosperity

Prosperity is one of the three pillars of action under the UN 2030 Agenda for Sustainable Development.

Sustained, inclusive and sustainable economic growth is essential for shared prosperity. Resilient infrastructure and sustainable technologies are the starting points for businesses and societies to thrive. Solar energy is a key pathway towards a more prosperous future, ensuring energy and food security; creating jobs; and, stimulating synergies with nature.

## Integrity

Integrity is at the heart of our approach to sustainability. We strive to build trusted relationships founded on honesty because they fuel collaborative teams, strong partnerships, and long-term performance. Integrity therefore directly influences the daily interactions between our team members and Group companies, and with our stakeholders.

This year, Starlight acquired two leading renewables developers with which it had longstanding partnerships: Intelligent Alternatives in the UK and Entrope in Italy. The acquisitions have not only strengthened Starlight's positions in the UK and Italian renewables development markets, but also joined the forces of collaborative and creative teams to further boost Starlight's responsible and innovative development approach.

## Value Generation

In the spirit of NextEnergy Group's Value to *Bring Your Alpha*, our commitment to create incremental value by outperforming the market is what sets us apart. For this reason, value generation is one of the three focus topics to direct the Group's profits towards prosperity for people and nature.

Hear about the value of integrity to Starlight's growth in the words of Starlight's Global Managing Director, Gianluca Boccanera:



"These acquisitions are the result of a natural evolution of NextEnergy Group's productive partnerships. Starlight continues to go from strength to strength and we are delighted to have welcome the experienced Intelligent Alternatives and Entrope teams to the Starlight family. The integration completes the alignment of our working relationships, goals and aspirations, and boots Starlight's ambition to become a trusted, responsible renewables developer in our core target markets."



## CASE STUDY

### Leading the market with pioneering offtake solutions

Renewable energy is integral to companies' decarbonisation journeys. The clean energy produced by our solar assets is helping other companies to follow the path we are paving for a more sustainable future. This year, NextEnergy Capital signed a contractual arrangement for Llanwern Solar Farm to sell the power it generates to a water utility company,

Anglian Water Services. Llanwern Solar Farm is the UK's largest operating solar farm with 75MW installed capacity; it is part of NextPower UK, NextEnergy Capital's private UK solar fund. The innovative arrangement demonstrates the future growth opportunity that solar serves in providing long-term power generation to corporates. We will continue to pursue similarly pioneering offtake solutions not only to unlock further financial value for our funds, but also to enable corporates to unlock climate value and achieve their own achieve their own targets for a net zero economy.



CASE STUDY

**Unlocking value through sustainable agriculture**

In May 2024, the Agricultural Law Decree entered into force in Italy. Under the Decree, there are new restrictions for solar PV installations on areas classified as agricultural. At NextEnergy Group, we know that land use needs are not mutually exclusive. This is why we promote development, impact investment, and asset management models which enhance ecosystem resilience and ensure community prosperity.

Starlight developed one of the first agrivoltaics project in Italy supported by Coldiretti – the largest Italian farmers

association– and Legambiente – one of the most prominent environmental associations in the country. The team is focused on growing its development footprint in agrivoltaics projects because they simultaneously unlock climate, natural and financial value. This year, Starlight hired an Agronomist whose knowledge is consolidating our approach to the energy-agriculture nexus. Importantly, the role is helping us to establish new partnerships in Starlight’s other key geographies – notably Canada, Greece, Romania and the United Kingdom – so that we can share this knowledge and drive the development of agrivoltaics project across the globe. It is our drive to create the best possible outcomes for people and nature through our action for a net zero future which differentiates us.

**Transparency**

We are transparent in our approach to sustainability. Transparency allows us to foster open, trusted partnerships with our stakeholders. It also stimulates us to continuously improve how we communicate our sustainability ambitions and activities. We aim to achieve the highest level of transparency on all material ESG topics for the Group, an ambition which is reinforced by NextEnergy Capital’s funds’ EU SFDR disclosures (Section 5). It is with this spirit that we are actively advancing research partnerships, and are proactively involved in research initiatives, to support the solar industry with its sustainability disclosures. For example, in the last year we have worked on nature-related disclosures because a more comprehensive and structured approach to valuing natural capital is necessary if we are to achieve the goals and targets of the Kunming-Montreal Global Biodiversity Framework.

NEC and NESF are leading a project to identify nature positive investment opportunities and appropriate metrics to enable their monitoring and reporting, through

renewable energy value chains: [Finance & Investment in Nature Positive Energy](#). The project is funded by the UK’s Natural Environment Research Council and NESF, and is in partnership with the Universities of Lancaster and York.

It has built a community platform to guide nature positive investment in solar and already published a first piece of research, with more to come over the next two years. Follow the project’s progress on its [LinkedIn page](#).

Our Group Nature Lead and Geospatial Manager also co-authored a research paper which was published in the Journal of Applied Ecology. The paper was written to encourage policy decisions which recognise that solar farms can deliver environmental benefits for climate and nature, whilst mitigating climate change and avoiding nature loss.

We are committed to continue to sharing lessons from our strong track record investing in solar assets and enhancing biodiversity at our sites to promote an impact investment model which delivers both climate and ecological benefits.



CASE STUDY

**Investor Education Sessions**

We continued making significant strides to engage investors and prospective investors in NEC’s funds on sustainability and ESG topics this year. NEC’s Investor Relations team, conducted training calls throughout the year with some of our existing investors and their ESG teams to share insights on best practices in sustainable investing. In April, we also hosted a webinar titled *Our Sustainability Framework and Natural Capital Approach*. The virtual event was led by the Group’s Head of ESG, with input from the Group’s Nature Lead, to deep dive on key ESG and nature-related themes which we are pursuing and share how we are leading the charge for a nature positive solar industry. We also moved from the virtual to reality – in September we took investors on site visits to our solar assets in the UK and Portugal to show them our operations first hand and give them the opportunity to engage directly with our Construction and Procurement, and ESG teams. These initiatives have not only reinforced our commitment to transparency, but also opened new channels to foster productive dialogue and collaborative action for a more prosperous, sustainable future.



CASE STUDY

**NextEnergy Capital’s Green Finance Framework**

In November, NextEnergy Capital introduced a [Green Finance Framework](#) that allows us to access a lower cost of capital due to our sustainable business activities. The Framework is designed to help NEC lead the transition to clean energy while also enabling us to secure Green Loans at a reduced margin. It was given a Second Party Opinion (SPO) by Standard & Poor’s (S&P) and awarded a Dark Green rating, the highest possible rating in S&P’s Shades of Green Analytical Approach. The SPO highlighted the strength of our disclosures about how we integrate ESG considerations into our investment decisions, as well as our detailed supply chain management approach across the asset lifecycle. This is testament to NextEnergy Group’s leading approach to sustainability transparency.



## 4. FRAMEWORK IMPLEMENTATION

### Good Governance

Good governance is a critical enabler of companies' abilities to generate long-term returns which are both risk-sound and benefit society. This is why we included it as one of the three levers which we use to integrate our Group Sustainability Framework.

Over the last year, we undertook a thorough exercise to review and update our existing sustainability policies, and to develop new ones so that all of the Group companies align their practices with the Sustainability Framework. Our sustainability and ESG activities are now governed by the Group's Sustainability Policies, which are approved by the GLT and signed by our CEO. NextEnergy Group's Head of ESG oversees the Group's adherence to the principles and commitments set out in our Sustainability Policies.

The Group's Sustainability Policies are supported by company-level policies and procedures which include

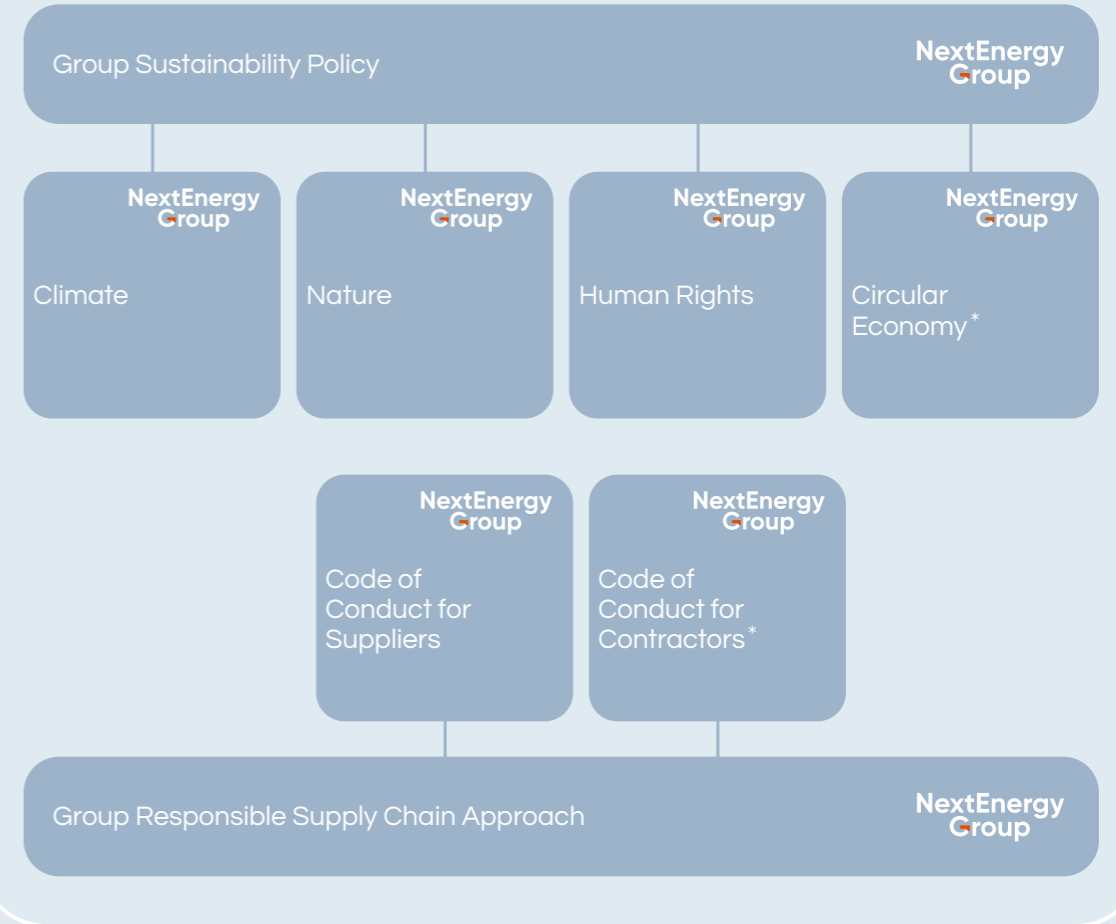
principles and commitments tailored to the activities of each company. These are approved by the Senior Management teams responsible for each Group company and co-signed by the Group Head of ESG and the most Senior Management team member from each Group company.

We are committed to continue to strengthen the full integration of the new Sustainability Strategy and spur ongoing sustainability improvements. In line with this commitment, the Group Head of ESG sits on NextEnergy Group's Risk Committee, overseeing climate-related risk and broader ESG risks associated with all of the Group's business activities. We also established a Nature Steering Committee this year to coordinate the Group's nature-related activities. The Committee is composed of Senior Management and general members who represent each of the Group's companies.



## NextEnergy Group sustainability policies

### GROUP SUSTAINABILITY POLICIES



### COMPANY SUSTAINABILITY POLICIES



\*Circular Economy Position Statement and Code of Conduct for Contractors are under development, although they are already envisaged as part of NextEnergy Group's Sustainability Policies



### Stakeholder Engagement

As part of our Value to *Build Trust*, we recognise that we need to take all our stakeholders into consideration to deliver our Strategy. Each of them has an influence on the way in which we conduct our business activities because we learn through ongoing engagement with them.

We actively seek opportunities to share lessons from our experience with our stakeholders, and to receive knowledge from them to refine our approach. We collaborate to realise a common vision where renewable energy decarbonises the planet, protects ecosystems, and creates shared prosperity.



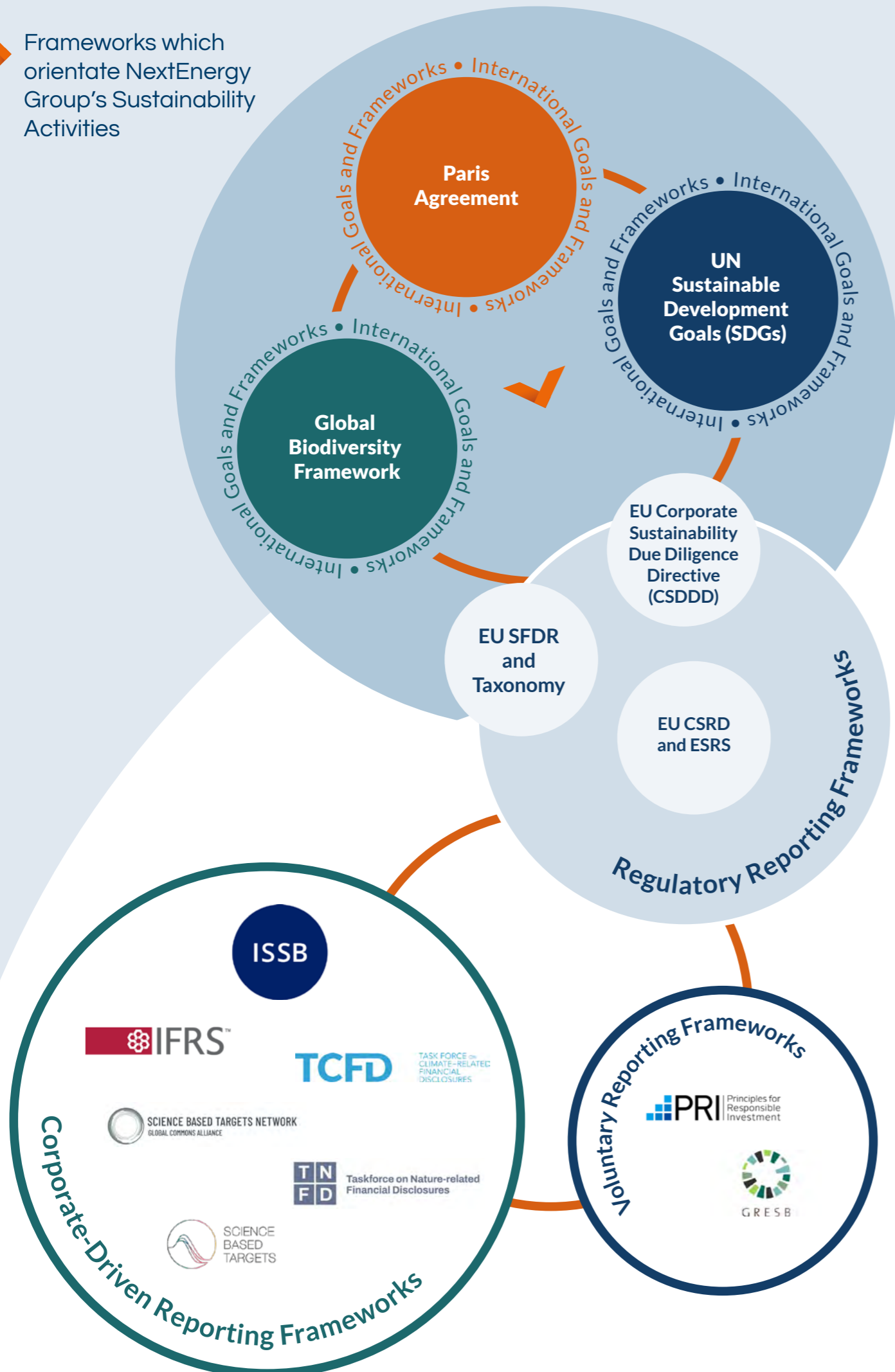
**CASE STUDY**  
**Starlight Community Laboratory**

In November, Starlight hosted a day of excursions and knowledge sharing in Arsa, Torviscosa, Italy about how to achieve agrivoltaics development in harmony with nature. The event was organised in collaboration with the DIDA-Università degli Studi di Firenze. It forms part of the ongoing partnership between Starlight, the University and a local agricultural company, l'Azienda Agricola Tenuta ai Laghi, to explore best practice for participatory and nature positive development processes. The purpose of the event was to meet communities, government authorities and NGOs to hear their views about the local landscape and ecosystems which we are now factoring into the design of Starlight's first agrivoltaics projects.

**CASE STUDY**  
**Engaging with Policy Makers in the UK**

NEC engages with the UK government, regulators, NGOs, investors, and other energy sector stakeholders to support the development of responsible solar and energy storage policy. This includes responding to consultations, calls for evidence and other inquiries; publishing thought leadership on sustainable investment topics; meeting with policymakers and officials; and, speaking regularly at conferences and events. NEC is actively involved in key government-industry forums. For example, our CIO, Ross Grier, is a member of the UK Solar Taskforce which has been established by the British government as a joint initiative with industry and regulators to drive forward the action needed to meet the UK's solar deployment ambition of 70 gigawatts by 2035. The Taskforce is due to launch a policy Roadmap for solar in 2025.

Frameworks which orientate NextEnergy Group's Sustainability Activities



## Memberships and Voluntary Initiatives



**UN Principles for Responsible Investment (PRI)** – NEC has been a Signatory to the UN PRI since 2016. Our annual Transparency Reports are published on the NEC website (Section 5). In 2023, we were invited to join the PRI's Sustainable Systems Investment Managers Reference Group. Two members of our ESG team are part of the Group and have actively contributed to the development of the PRI's new [Progression Pathways](#) framework. Our Group Nature Lead is also a member of the PRI's [Nature Reference Group](#) to facilitate collaborative action for a nature positive future.



**Solar Energy UK (SEUK)** – NEC is an active member of SEUK, the UK solar trade association. Our Group Head of ESG, Giulia Guidi, was elected as an SEUK Board Member in 2022.; the Special Purpose Vehicle Director, Sulwen Vaughan, is Chair of SEUK's Natural Capital Working Group; NextEnergy Group's Nature Lead, Hing-Kin Lee, is a member of, and Chairs, SEUK's Natural Capital Steering Group; Senior ESG Associate, Kevin McCann, is a member of, and Chairs, SEUK's Responsible Sourcing Steering Group; and, Senior Associate, Ed Payne, is a member of SEUK's Planning Steering Group.



**SolarPower Europe (SPE)** – SPE is the European solar trade association. NEC is an active member of SPE and has been collaborating closely with the association since 2022 to develop and launch the Solar Stewardship Initiative last year.



**Solar Stewardship Initiative (SSI)** – The SSI is the first-ever supply chain sustainability assurance scheme dedicated to the needs of the solar PV sector and its customers. It has established a set of Standards for companies and stakeholders from across the global solar value chain to adhere to in order to foster responsible production, sourcing, and stewardship of materials. Our Group Head of ESG is a [Board Member](#) of the SSI. The Group's Senior ESG Associate and one of our ESG Analysts have also been involved in its Working Groups.

## Guidelines and Principles

Our approach to sustainability adheres to a number of international guidelines and principles. We expect our business partners to adhere to these same standards.

- Equator Principles
- Fundamental International Labour Organisation (ILO) Conventions
- International Finance Corporation (IFC) Performance Standards
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Global Compact



We know that in order to advance our mission, we must act to ensure an ethical and responsible solar supply chain, which is why we are committed to being at the forefront of efforts to proactively promote sustainable sourcing within the solar industry.

### Supply Chain

By mapping the Group's exposure to ESG risks and opportunities, we have identified that our greatest impacts lie within our supply chain. This also means that it is where there is the greatest scope to effect meaningful change. We know that in order to advance our mission, we must act to ensure an ethical and responsible solar supply chain, which is why we are committed to being at the forefront of efforts to proactively promote sustainable sourcing within the solar industry.

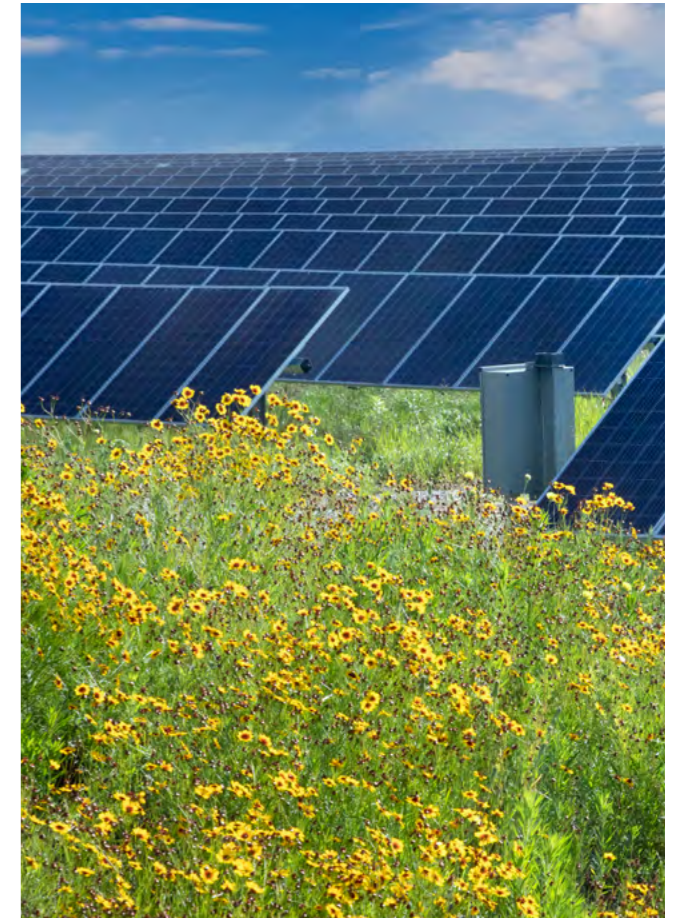
We have developed a robust and holistic responsible sourcing approach to address ESG topics within our value chain. This includes ensuring our supply chain policies meet and exceed relevant national and international standards; undertaking comprehensive due diligence on our suppliers; and, proactively supporting industry action to drive best practice.

Team members from across NextEnergy Group chair or participate in the governance and activity of work undertaken by the SSI and SEUK's Responsible Sourcing Steering Group. These initiatives, along with the action of individual buyers, including NextEnergy Capital's funds, are helping to drive the development of advanced supply chain risk management protocols, such as raw material tracing.

Scope 3 emissions are the most material to our business, and the financial sector, which is why a core component of the Climate Transition and Net Zero Strategy which we are developing is supply chain decarbonisation (see Section 3). We have undertaken a comprehensive supply chain study to understand the emissions profile and climate risk vulnerabilities at each stage of our solar PV production process because we know that decarbonisation of the solar sector must focus on the supply chain if it is to achieve net zero, and we are committed to supporting our suppliers to doing so.

As part of our newly launched Group Nature Strategy, we also aim to effectively manage nature-related risks in our operations and supply chains (see Section 3). Increasing supply chain traceability and engagement on high-impact commodities is one of the core pillars of the Strategy and underlying delivery framework.

Over the next year, we will update NextEnergy Group's supplier screening questionnaire and traceability systems to identify key focus areas in our supply chains which are drivers of climate risk exposure and nature loss. Looking ahead, we will continue to leverage our involvement in industry associations such as the SSI to engage with suppliers, and their suppliers, to commit to the KM-GBF targets and align with a nature positive future.





## 5. DISCLOSURES AND REPORTING

Sustainability disclosures are essential to facilitate the growth of sustainable investments and the pursuit of a more rapid transition to clean energy. We are not driven by regulatory requirements and pure risk mitigation. We are driven by a willingness to make a difference. Notwithstanding, we believe that understanding market and regulatory requirements is key to promote transparency and the harmonisation of reporting to inform better investor decision-making.

NextEnergy Group is committed to pioneer sustainability disclosures through transparency in our ESG approach and performance. This commitment is bolstered by the EU's transparency frameworks which see disclosures as a driver for the better integration of ESG-related risks in the investment decision-making of financial market participants.

### 5.1 NEC-Level Disclosure and Reporting

NextEnergy Capital publishes and commissions the following reports to assess the integration of ESG factors throughout its investment activities:

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[Annual TCFD Report](#)

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[Annual UN PRI Transparency Report](#)

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[EU SFDR ESG Disclosures](#)

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### 5.2 Fund-level Disclosures and Reporting

NextEnergy Capital's funds are all classified as Article 9 under the EU SFDR. In accordance with the EU Taxonomy, this means that they make a substantial contribution to one of the Taxonomy's six environmental objectives; do no significant harm (DNSH) to any of the objectives; and, comply with minimum safeguards. Our funds' sustainable investment objective is climate change mitigation, and their Article 9 classification is testament to the sustainability market leadership of our financial products. NextEnergy Capital publishes the following annual disclosures to comply with the EU SFDR:

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[NextEnergy Solar Fund](#)

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[NextPower UK ESG](#)

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[NextPower III ESG](#)

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[NextPower V ESG](#)

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## 6. NEXTENERGY FOUNDATION



### A year in review from NextEnergy Foundation's Secretary

Since 2016, NextEnergy Foundation (NEF) has been actively contributing to poverty alleviation and reducing carbon emissions by providing clean power sources in regions where they are not yet available.

I joined NEF in January 2024 and am delighted with the Foundation's continued growth and impact over this first year in my role as Secretary. To date, NextEnergy Foundation has raised over £3.4 million and over £422,365 were committed in grants in 2024.

Over the last year, we consolidated our governance; strengthened our financial standing; and, most importantly, deepened the impact of our grant-making activities.

In May 2024, Flavia Galdiolo was appointed as a new Trustee to the Foundation. Flavia's contribution to NEF's strategic direction is founded on her deep knowledge and experience of NEF's projects as she previously managed the Foundation for over 4 years.

We also added to the Principal of the Endowment Fund (the **Fund**) established in 2023. The Fund is managed by a specialist impact investment manager, EQ Investors. Its investments are fully aligned with NEF's mission and adhere 100% to 'do-no-harm' principles. The funds drawn down supported NEF's grant-making activities, whilst those remaining in the Endowment portfolio are generating additional positive environmental and social impacts.

True to our commitment to ensuring genuine, long-lasting impacts, we monitor the outcomes of projects on local communities for up to 3 years after a project's completion date. We also receive regular reports on the O&M of all renewable energy-related installations. I am delighted about the spirit of collaboration which inspired even more of the Technical team members at WiseEnergy to volunteer their time this year to support our partners with their O&M activities.

Snapshots of some of the active projects in 2024 are on the right. Please visit NextEnergy Foundation's website for more details on past and ongoing projects: [Home - NextEnergy Foundation](#).

As I step into the second year of my role, I am excited about the prospect of NextEnergy Foundation's continued maturity. I am encouraged by the Trustees' drive to contribute to a global sustainable and inclusive approach to development, and look forward to continuing to cultivate the relationships with our partner organisations to change the world. One renewable energy project at a time.

**Rita Selleri**  
NextEnergy Foundation Secretary



In 2024, NEF had 38 active projects located in 13 different countries and contributing to 15 of the 17 UN SDGs. Sixteen of the projects started in January 2024 and I am proud to share a snapshot of the impacts they are generating across our thematic areas:

#### Education (3 projects):

**552**

Distributed 552 portable solar lights to students

**4 PV**

Installed 4 PV systems in schools

#### Health and Water (8 projects):

**170**

Distributed 170 water purifying systems

**5 PV**

Installed 5 PV systems in health centres

#### Improved Livelihoods (4 projects):

**500**

Distributed 500 solar home systems

#### Biodiversity and Nature Conservation (1 project):

**4**

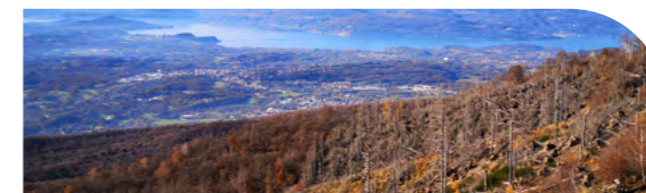
Restored over 4 hectares of forest

Turning instead to NEF's primary purpose, we make grants to projects that increase access to renewable energy in underserved regions. This year marked the mid-point of



#### Education:

Projects that improve educational opportunities and outcomes through access to clean energy, such as solar installations in schools, lamp libraries, and energy-related training.



#### Improved Livelihoods:

Projects supporting local communities and individuals to become less dependent on fossil fuels, such as solar street lights, and launching and scaling renewable energy-focused businesses.

our 2023-2025 Strategic Framework, which establishes the thematic areas we are prioritising to pursue our mission:



#### Health and Water:

Projects involving renewable energy-enabled technologies aimed at increasing access to potable water and providing healthcare centres with clean, reliable energy.



#### Biodiversity and Nature Conservation:

Projects that protect and restore damaged natural habitats, contributing to carbon sequestration.

I joined NEF in January 2024 and am delighted with the Foundation's continued growth and impact over this first year in my role as Secretary.

### Positive Impacts associated with NEF's Endowment Fund Portfolio in 2024



**Disclaimer:**

**View Expressed**

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