



Community Impact Strategy

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Prepared in collaboration with

I N C A S



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Acknowledgements



Co-author:
Begoña Rodrigo
Vice-president, ESG



Co-author:
Marianna Ricca
Associate, ESG



Communications:
Claudia Abelli, Group Head of
Communications and Branding

Preface

NextEnergy Group was founded in 2007 to become a leading market participant in the international Solar+ sector. The Group comprises five entities operating in all project stages: Starlight (asset development), NextEnergy Capital (investment management), WiseEnergy (asset management), NextSTEP (Venture Capital sustainability accelerator) and NextEnergy Foundation (international charity). This Strategy applies to the development, investment management and asset management activities undertaken through Starlight, NextEnergy Capital and WiseEnergy.

Since our inception, NextEnergy Group has emphasised the effective and responsible management of community-related risks and opportunities, recognising that mitigating community related-risks and capitalising on opportunities contributes to operational success, strengthens stakeholder trust, and supports long-term resilience of our business.

The Community Impact Strategy (henceforth, **Community Strategy** or **Strategy**) has been developed to strengthen how we understand, manage and enhance our relationship with communities and other stakeholders, while supporting more consistent community impact management and value creation across our activities and geographies.

This Strategy focuses on the social dimensions of our activities, including community engagement, land use,

local benefits, vulnerable groups and **Indigenous Peoples**. It does not replace other established areas of responsibility across the Group, including health and safety, labour and workforce matters, supply chain management and broader human rights commitments, which are addressed through dedicated policies, procedures and governance arrangements.

The Community Impact Strategy builds on the publication of NextEnergy Group's Nature Strategy and Climate Strategy and represents the next step in strengthening our integrated approach to sustainability, bringing the community dimension into a more structured framework for decision-making, implementation and accountability.

Our approach is informed by emerging frameworks such as the **Taskforce on Inequality and Social-related Financial Disclosures (TISFD)** and by established disclosure standards such as those of the **International Sustainability Standards Board (ISSB)**. The Strategy will help us to respond to evolving stakeholder expectations and address community-related impacts, dependencies, risks and opportunities in a more structured and transparent way and to be better prepared to meet future community-related disclosure requirements.

Please refer to the **Glossary** for definitions of specific terms used throughout this document.



Inkersall Solar Asset, NextEnergy 4

Foreword

The energy transition requires accelerated capital deployment to deliver technology and infrastructure at scale. But long-term success depends not only on what we build; it depends on how we engage with, manage impacts on and foster positive relationships with the communities around our projects.

Community trust and strong relationships are essential to successful renewable energy development, but they are not guaranteed by regulatory approval alone. Projects that are technically viable and aligned with the wider need for clean energy can still face delays, redesign or opposition if local concerns are not understood and addressed from the outset. As renewable energy moves from early growth to large-scale deployment, communities increasingly assess projects not only individually, but as part of a wider pattern of infrastructure development, land-use change and cumulative local impacts.

At NextEnergy Group, guided by our values, we aim to **build trusted relationships** and **act responsibly** in the communities that host our assets, creating lasting and shared value for local stakeholders and for the business. For us, community impact is an integral part of responsible development, investment and asset management. It is central to how we manage risk, strengthen resilience, create shared value and support long-term asset performance.

Across our projects and teams, we have built experience in engaging with communities, managing local impacts and supporting local initiatives. This Strategy builds on that experience and gives us a clearer, more consistent Group-wide approach to strengthen what works, address gaps and raise our level of ambition.

We know that this work comes with its challenges. While renewable energy contributes to a more secure and increasingly cost-competitive energy system, the wider benefits of clean energy may not always be immediately visible to those hosting our assets and trust cannot be



assumed. An approach that works in practice requires more than compliance; it requires early and ongoing dialogue, transparency, effective grievance management, respect for and integration of local knowledge, and a willingness to adapt where better shared positive outcomes are possible. It also requires a shift from engagement as communication to engagement as systems thinking.

Through this Strategy, we are setting ambitious but achievable commitments to strengthen how we engage with communities, manage impacts, support locally relevant benefits and integrate community priorities into land-use decisions. We recognise that the long-term success of renewable energy projects depends on communities being active partners in the transition, with opportunities to help shape decisions and, where appropriate, share in the value created. In doing so, we aim to support stronger relationships, more resilient projects and renewable energy infrastructure that is trusted, locally grounded and responsibly delivered.

We invite our teams, partners, investors and stakeholders to engage with this Strategy, challenge us where we can do better, and collaborate with us as we continue to define what responsible leadership in renewable energy means in practice.

Because how we engage matters just as much as what we build. One renewable energy project at a time.

Giulia Guidi
Global Head of ESG



Staughton Solar Asset (UK), NextEnergy 4

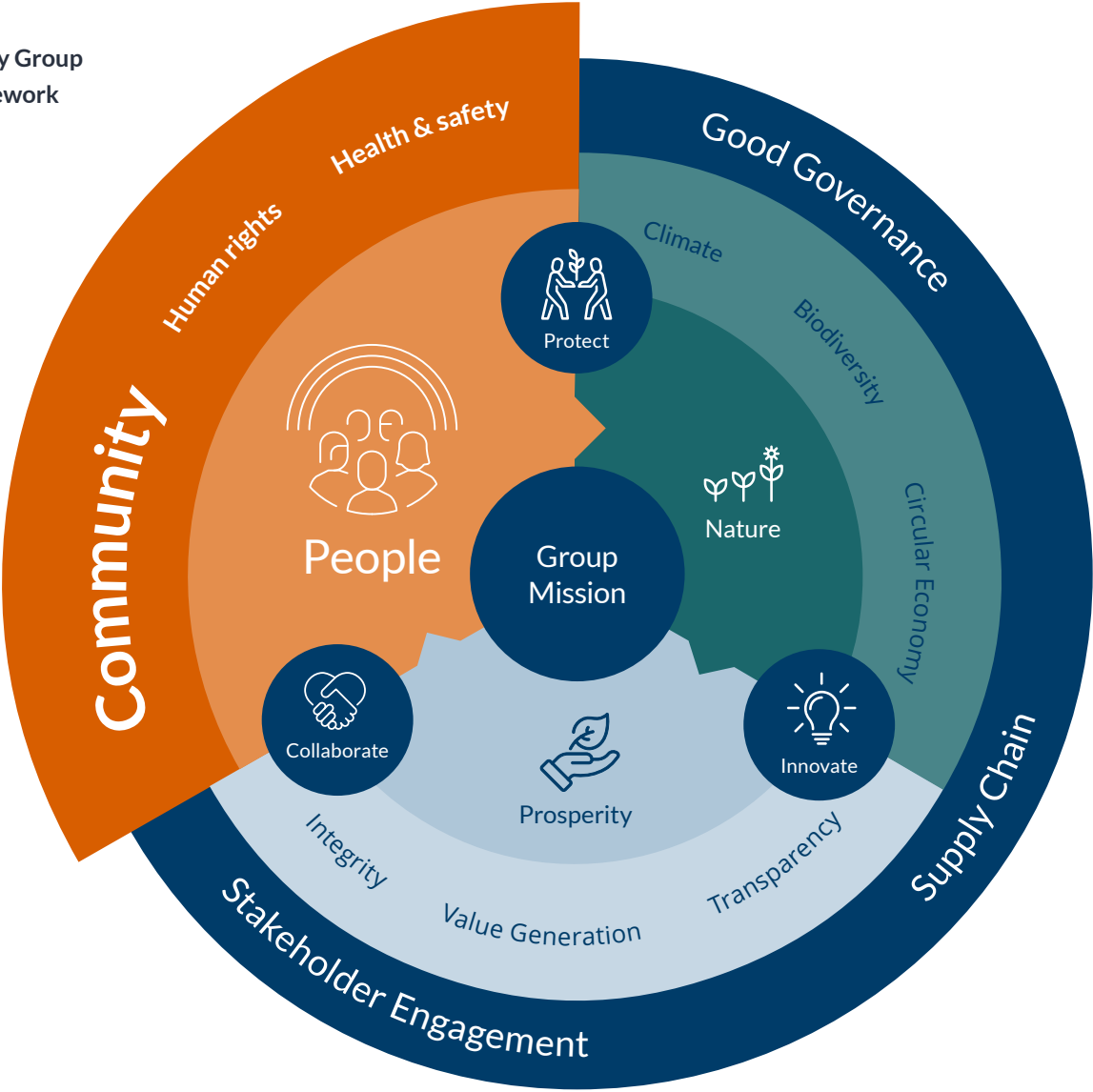
1. Background

1.1 INTRODUCTION

Our [Sustainability Strategy](#) sets out our commitment to fully integrating Environmental, Social and Governance (ESG) priorities into the Group's development, investment, and asset management activities. It is underpinned by our [Sustainability Framework](#) which begins with our mission and is guided by three Priority Areas (Figure 1). Our Sustainability Framework defines how we understand and approach our responsibility towards long-term environmental, community, and economic impact. This Community Impact Strategy and its underlying ambition (see Section 2 Ambition Statement and Principles) align with our Sustainability Framework.

The Strategy¹ has been shaped through an inclusive and evidence-based process, including internal consultations and workshops across the Group, benchmarking against industry peers, recognised international good practices, and insights from our **double materiality assessment**. It also draws on engagement with investors, industry associations and other interested and affected parties, as well as practical experience from teams involved in project development, construction and operations. The Strategy will evolve over time to reflect emerging good practices, shifting stakeholder expectations, lessons from implementation and change in relevant industry standards.

Figure 1: NextEnergy Group Sustainability Framework



¹ The Strategy was developed with the support of INCAS Consulting, an independent consultancy specialising in community impact.

1.2 WHY DEVELOP A COMMUNITY IMPACT STRATEGY?

As our portfolio expands across diverse geographies and technologies, it is increasingly important that we understand and anticipate the community dimensions of our work - from impacts on local communities to the broader role we play in supporting community empowerment through meaningful engagement, access to local benefits and participation in the energy transition. This Strategy helps us take a more structured approach to understanding local priorities, and how our business depends on constructive and stable community relationships. It also supports the management of related risks and the identification of opportunities for local contribution where appropriate.

We have set out the four main reasons why this Strategy is needed at this moment in NextEnergy Group's evolution below (p.6-7). Together, they underscore the importance of integrating community impact and opportunities more systematically into how we plan, develop, build, manage, and decommission our assets. These evolving realities of the energy transition shape the need for a Community Impact Strategy.



Honington Solar Asset (UK), NextEnergy Solar Fund

Local Responsiveness

Renewable energy is uniquely positioned to address both environmental and community challenges, and we have a responsibility to help deliver a transition that is inclusive and responsive to local contexts. By providing some of the most affordable sources of energy available today, renewable energy can also support economic resilience and broader access to affordable electricity.

Risk management

The Strategy supports the long-term viability of our business. Renewable energy projects require access to land, and successful development depends on constructive engagement with landowners, land users and neighbouring communities, who may experience project impacts and benefits in different ways. Without a consistent and well implemented community approach, projects may face tensions, delays, or reputational impacts, with potential implications beyond individual assets. A proactive approach grounded in early and meaningful engagement helps to identify and address potential issues, supporting permitting processes and more stable project delivery.

Trust & Reputation

The Strategy enhances stakeholder trust and brand reputation. Communities, investors, and regulators increasingly expect renewable energy companies to demonstrate responsible and transparent practices. This is particularly relevant in regions where Solar+ projects may face opposition. Transparent, community-focused engagement and local contribution initiatives help build credibility, strengthen Group reputation and support more constructive relationships over time.

Innovation & Competitiveness

The Strategy supports innovation and competitiveness. Meaningful engagement with communities and other stakeholders, beyond regulatory requirements, can provide insights into local contexts and needs, informing more appropriate project design and, in some cases, opening new opportunities, especially in emerging economies.



Landscape Architecture student ideas competition, organised by Starlight, Italy



Rooftop Solar Kit donated to Wentu Lafquen and Emma Piñontes Indigenous Community house - Calderaza (Chile), NextEnergy 3



Starlight Community Laboratory, Torviscosa, Italy

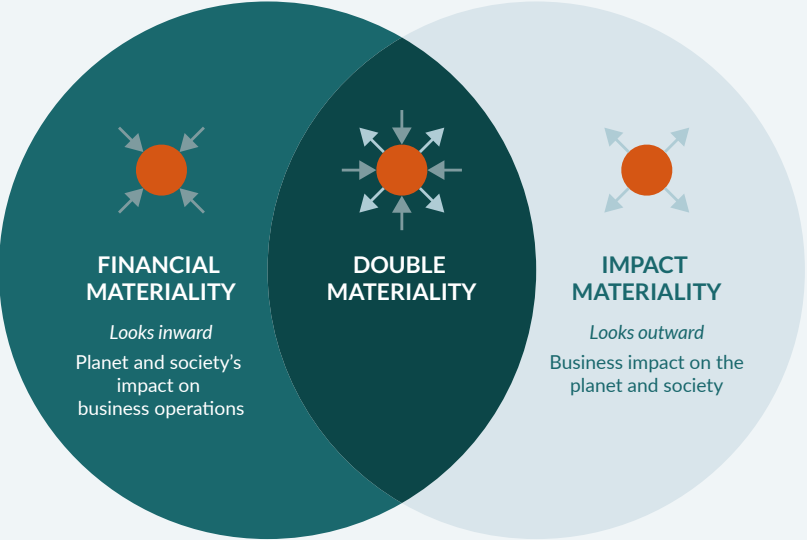


Community visit to the Belgaum Solar Asset (India), NextEnergy 3

1.3 DOUBLE MATERIALITY ASSESSMENT

Our Community Impact Strategy is underpinned by a Group-level materiality assessment conducted in 2025 to identify and prioritise the potential community-related risks, opportunities and gaps. The assessment considered both impact and financial materiality, known as **double materiality**. These findings serve as a foundation for the Community Impact Strategy.

Figure 2: Double materiality

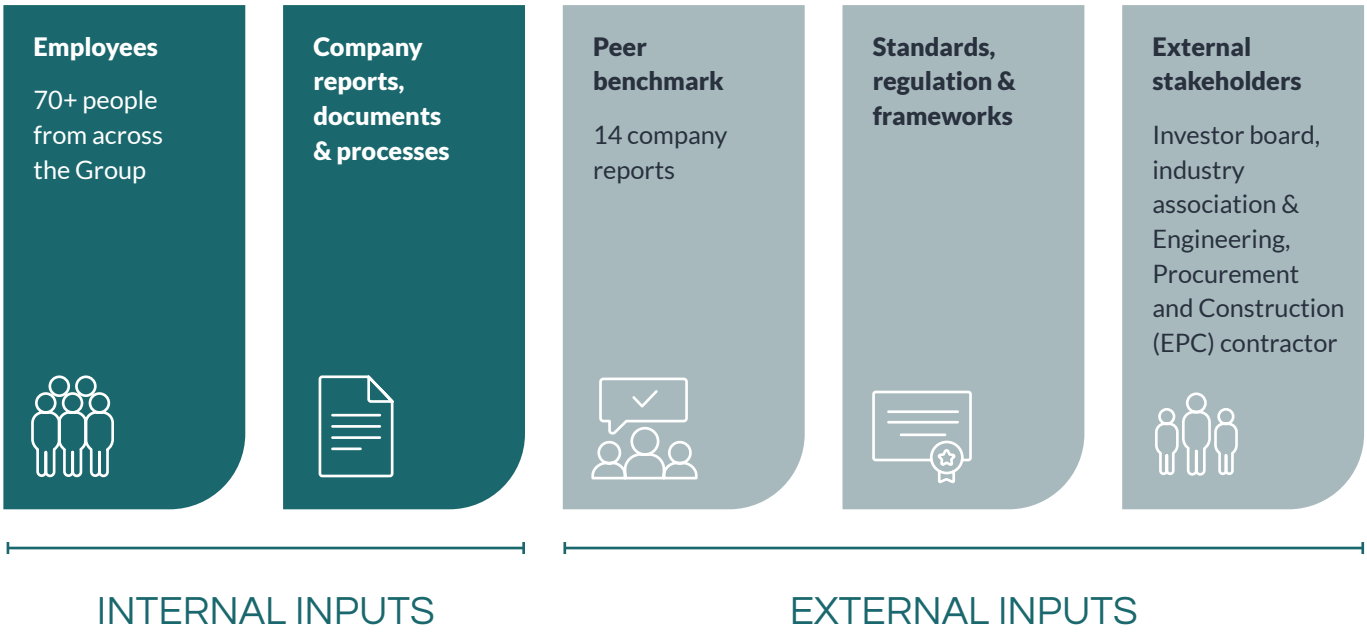


1.4 INPUTS FOR THE DOUBLE MATERIALITY ASSESSMENT

To help identify and prioritise material community-related issues, NextEnergy Group engaged with a wide variety of internal and external stakeholders and analysed relevant NextEnergy Group publications and internal documentation, peer company reports, regulatory frameworks, and industry standards (Figure 3).

20% of NextEnergy Group employees participated in this assessment – with a balanced representation from all parts of the business, from development, to investment, construction and operation, the Foundation and corporate functions, as well as Group-level senior leadership teams.

Figure 3: Data sources for double materiality assessment



1.5 MATERIAL ISSUES

Five community issues were considered material through the assessment (Table 1), and have informed the priorities and commitments set out in the Community Impact Strategy:

Table 1: Material community issues

Community relations	Engagement, transparency, local development and community concerns, including visual/ landscape impacts, land use changes and perceived effects on property values
Land use	Land Acquisition ² , dual-use considerations, physical/economic displacement and cultural heritage
Local employment	Local jobs, entrepreneurship, dual-use farming and supporting services such as security, landscaping
Vulnerable groups and Indigenous Peoples	Potentially more severe impacts on minorities, women, children, informal/illegal settlers, and Indigenous Peoples
Site disturbances	Potential noise, dust, increased traffic, road damage, glint and glare, environmental impacts on communities from land use change



Bee hives at Boxted Solar Asset (UK), NextEnergy Solar Fund

² Land Acquisition refers to the process of securing rights to use, occupy, or access land for the purposes of developing, constructing, and operating solar and renewable energy assets. This may involve a range of land tenure arrangements. Please refer to the Glossary for further details.



Good community relationships start with understanding the local context and listening to the people who know it best

2. Ambition Statement & Principles

In line with NextEnergy Group's Sustainability Framework and its commitment to Priority Areas of People, Nature and Prosperity, **our ambition is to be a trusted and responsible partner in the energy transition, creating lasting community value across the asset lifecycle - from development, investment and construction to operations and decommissioning.** We want to contribute meaningfully to a more inclusive and resilient energy future for all - driving positive change globally whilst ensuring that the benefits of the energy transition are shared locally. By embedding community impact throughout the investment lifecycle we aim to deliver clean, secure, and increasingly affordable electricity while leaving a positive legacy for generations to come.

We have developed this Community Impact Strategy to meet our ambition and further strengthen one of the key focus areas of NextEnergy Group's Sustainability Strategy. The Strategy is designed to help us stay ahead of evolving stakeholder expectations and align with established and emerging disclosure frameworks, such as ISSB and TISFD, while continuing to responsibly secure, develop, invest, build and manage our future assets. It establishes the Group's direction for understanding and managing community-related impacts, dependencies, risks and opportunities in a more structured and consistent way.

The Strategy is grounded in the following principles, which reflect NextEnergy Group's Values and link our overarching Sustainability Framework to the commitments and approach set out in this Strategy.

PEOPLE AT THE CENTRE

We place people and communities at the heart of everything we do, respecting human rights and promoting inclusion, dignity, and opportunity for all



SHARED PROSPERITY

We aim to support a fair distribution of the benefits of renewable energy, contributing to local economies, livelihoods, and meaningful participation in the energy transition



INTEGRITY AND TRANSPARENCY

We act responsibly and with openness, building trust through transparent communication, clear accountability, and measurable community performance



ENGAGEMENT, CONSULTATION AND LONG-TERM VALUE

We address community-related risks and opportunities through engagement, consultation and partnerships with communities, governments, and civil society to design and deliver solutions that reflect shared priorities and create long-term value



3. Risk Management

NextEnergy Group applies a principles-based approach to project selection and investment, supported by clear exclusion criteria and enhanced review triggers. We aim to identify community-related impacts, dependencies, risks and opportunities as early as practicable in the development and investment process, so that findings can inform site selection, project design, engagement, benefit types, resourcing and other decision-making before significant commitments are made. We will not pursue or develop assets, nor support activities, that are inconsistent with our Sustainability Framework, our Community Impact Principles (see [Section 2 Ambition Statement and Principles](#)), or internationally recognised standards for responsible business conduct (see [Section 7 Guiding Standards & Initiatives](#)).

[NextEnergy Group's Sustainability Policies](#) further define the ESG criteria that guide how we assess and integrate ESG risks and opportunities across development,

investment and asset management. These policies set out clearly defined Excluded Activities, as well as activities subject to Enhanced Review where initial screening identifies elevated risk.³

In addition to these measures, we are implementing a structured methodology to assess and classify community-related risk across the portfolio (see [Section 3.1 Risk Exposure below](#)). This approach complements project-level screening and due diligence by providing a systematic, portfolio-wide understanding of community-related risk exposure, combining both contextual (country-level) and asset-level considerations.



Honington Solar Asset (UK), NextEnergy Solar Fund

³ Excluded Activities and Enhanced Review triggers are set out in the applicable Sustainability Policies of the relevant NextEnergy Group companies. Available at: [Our Commitments - NextEnergy Group](#)



Understanding community-related risks early gives us more options to respond, adapt and make better project decisions

Diploma handing ceremony with the Diaguita Huillanco Indigenous Community - Travesía (Chile), NextEnergy 3



Repurposing construction material. Donation to the Diaguita Huillanco Indigenous Community - Travesía (Chile), NextEnergy 3

3.1 RISK EXPOSURE

NextEnergy Group classifies its assets into three community-related risk categories: **high, medium and low**. This classification is informed by a combination of country-level and asset-level proprietary tools and is used to ensure that due diligence, stakeholder engagement, and mitigation efforts are proportionate to the level of potential community-related risk and impact. Detailed definitions of **high, medium and low community-related risk** applied by the Group are provided in the [Glossary](#).

At country level, the community-related risk tool is based on publicly available indicators - such as governance quality, rule of law, human development, land tenure security, community vulnerability, human rights, and community stability - to provide a high-level indication of contextual risk and enable consistent comparison across geographies.

At asset level, the community-related risk assessment tool is used to identify site-specific community-related risk factors, including community vulnerability, livelihoods, land use, cultural considerations, asset size and potential project impacts. The tool also assesses the extent to which appropriate management measures are in place,

covering areas such as planning, stakeholder engagement, implementation of mitigation measures, and disclosure practices. These inputs are reviewed by the ESG team and used to inform the overall asset-level community-related risk classification.

The proprietary community-related risk tools are designed to complement the project-level due diligence. They are used during portfolio planning and early development to screen prospective markets, prioritise deeper community impact assessments, and tailor engagement and risk management strategies. They are also applied across the existing portfolio to ensure consistent risk classification and prioritisation of actions.

The resulting Community-related Risk Rating informs the prioritisation and implementation of the Community Impact Commitments ([see Section 4 Commitments and Targets](#)), as well as resource allocation and the application of the Community Impact Delivery Framework (**CIDF**) ([see Section 5](#)) and, where appropriate, escalation for consideration in relevant project and investment decisions.

4. Commitments & Targets

The commitments set out below define our direction for addressing the most significant community-related risks and opportunities, and for driving consistent implementation across the portfolio. These are built on the insights from the double materiality assessment and informed by the Group's approach to community-related risk management and risk exposure ([see Section 3 Risk Management](#)).

Progress towards achieving each commitment is tracked using a set of interim targets. These will guide implementation over time and ensure progressive delivery ahead of the target year.



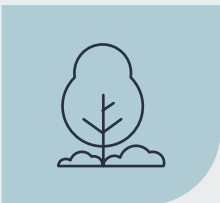
COMMUNITY IMPACT MANAGEMENT

By 2030 all NextEnergy Group high and medium risk Assets in Scope will have a **Community Impact Management Plan** including ongoing stakeholder engagement, aligned with the asset risk profile.



SHARED COMMUNITY BENEFITS

By 2030 all NextEnergy Group Assets in Scope, will apply the Group approach to **community benefits**, with benefits reflecting local needs and priorities.



COMMUNITY-INFORMED LAND USE

By 2030, NextEnergy Group will ensure that, across all Assets in Scope, **dual land-use and mitigation approaches**, where applicable, **are informed by local needs and priorities**, enabling land-use decisions that support shared benefits for nature, communities, and long-term asset performance.

4.1 SCOPE AND APPLICABILITY

NextEnergy Group recognises that these commitments will apply differently across the portfolio, reflecting asset type, risk profile, lifecycle stage and portfolio context. The scope and applicability parameters outlined below (Table 2) define the **Assets in Scope** for each commitment.

Together, these parameters support proportionate allocation of resources while maintaining consistency in our approach to community management across the portfolio.

Table 2 – Scope and applicability by commitment

Commitment	Scope and Applicability
Community Impact Management	<ul style="list-style-type: none">• High and medium-risk assets acquired or entering development from 2027 onwards• Progressive rollout for pre-2027 legacy assets, prioritising higher-risk assets and considering asset lifecycle, portfolio strategy and expected divestment timing.• Lower-risk assets will implement proportionate community management measures.
Shared Community Benefits	<ul style="list-style-type: none">• New assets acquired or entering development from 2027 onwards.
Community-Informed Land Use	<ul style="list-style-type: none">• New assets acquired or entering development from 2027 onwards.

4.2 INTERIM TARGETS

The following interim targets (Table 3) have been set to indicate progress towards phased implementation of the commitments by their respective target years.

Table 3 – Interim Community Impact Targets, by Commitment

Commitment	Interim Target	Interim Target Year
<div></div> <div>Community Impact Management</div> <div>By 2030, all NextEnergy Group high and medium risk Assets in Scope will have a Community Impact Management Plan, including ongoing stakeholder engagement, aligned with the asset risk profile</div>	A Group Community Impact Management Plan framework is defined and adopted, including minimum requirements for stakeholder engagement and complaint management aligned with asset risk level.	2027
	All high-risk Assets in Scope have a Community Impact Management Plan.	2028
	All Assets in Scope, have access to a formalised complaint management procedure.	2029
	All Assets in Scope have ongoing stakeholder engagement arrangements in place, aligned with the asset risk level.	2029

<div></div> <div>Shared Community Benefits</div> <div>By 2030, all NextEnergy Group Assets in Scope will apply the Group approach to community benefits, with benefits reflecting local needs and priorities.</div>	A Group-wide approach to community benefits is defined, including principles, eligible benefit types, governance and minimum expectations from new developments.	2027
	The Group approach to community benefits is progressively integrated into all high and medium-risk Assets in Scope, informed by engagement with affected communities.	2028
	At least two pilot initiatives are undertaken to explore locally managed community benefit funds and/or other locally governed benefit-sharing models.	2029

Commitment	Interim Target	Interim Target Year
<div></div> <div>Community-Informed Land Use</div> <div>By 2030, NextEnergy Group will ensure that, across all Assets in Scope, dual land-use and mitigation approaches, where applicable, are informed by local needs and priorities, enabling land-use decisions that support shared benefits for nature, communities, and long-term asset performance.</div>	Group-wide guidance is defined, establishing when and how community and landowner consultation is required for land-use, dual land-use and mitigation decisions.	2027
	The Group approach to community-informed land-use, dual land-use and mitigation decisions is progressively integrated into new developments and material project modifications, informed by engagement with affected communities and landowners.	2028



Giugliano Solar Asset (Italy) - NextEnergy 5



Educational visit to Emberton Solar Asset (UK), NextEnergy Solar Fund



St Albert Solar Battery Project Open House, Alberta (Canada)



Commitment 1: Community Impact Management

By 2030, all NextEnergy Group high and medium-risk Assets in Scope will have a Community Impact Management Plan, including ongoing stakeholder engagement, aligned with the asset risk profile.

Materiality: Community Relations | UN SDGs⁴: 3, 7 & 10

The materiality assessment identified 'community relations' - seeking, building and maintaining constructive relationships with local stakeholders - as the most material issue for NextEnergy Group to address in the Strategy. To tackle this, NextEnergy Group will develop a **Community Impact Management Plan (CIMP)** for high and medium-risk Assets in Scope.

A CIMP is an asset-specific plan that outlines how community-related risks will be identified and managed throughout the asset lifecycle, whether for a single asset or a group of assets managed as part of the same investment or Project. Its structure reflects the CIDF outlined in Section 5 Community Impact Delivery Framework, which establishes the minimum requirements for community-related risk management across all NextEnergy Group assets consistent with international standards ([see Section 7 Guiding Standards & Initiatives](#)).

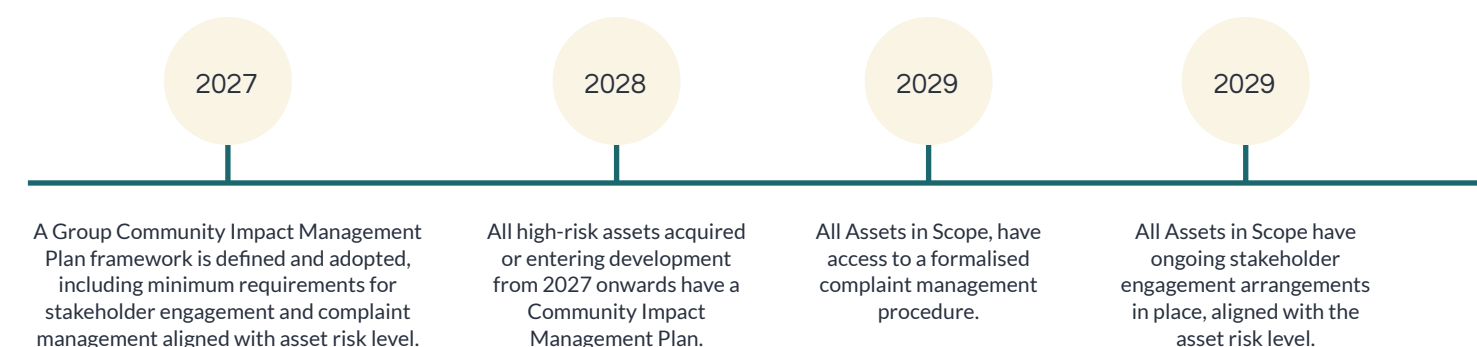
For Assets in Scope, the CIMP will follow the CIDF's core elements, with the level of effort and detail calibrated to each asset's risk level and contextual realities ([see Risk Exposure in Section 3](#)). For example, high-risk assets will require more detailed and comprehensive CIMPs than medium-risk assets, as well as more frequent risk assessment and monitoring. Lower-risk assets will not be required to develop a full CIMP but will implement proportionate community management measures aligned with the CIDF. Where context assessments or due

diligence identify specific issues - such as the presence of Indigenous Peoples or cultural heritage - additional specific management actions will be developed to address them.

The CIMP includes two processes, critical to managing community-related risk and supporting long-term, constructive relationships with local stakeholders: ongoing stakeholder engagement and complaint management. In most jurisdictions where NextEnergy Group operates, engagement with affected stakeholders is required to secure permits before construction and operations. However, regulators rarely require ongoing stakeholder engagement once permits are granted. Aligned with our ambition and values, NextEnergy Group is committed to maintaining continuous meaningful engagement with affected communities and other relevant stakeholders, following a risk-based approach and aligned with local context, throughout the whole asset lifecycle from development and construction through operations and ultimately decommissioning.

In line with the **United Nations Guiding Principles on Business and Human Rights (UNGPs)**, the CIMP will further formalise and systematise operational-level complaint management mechanisms. This will ensure that stakeholders and community members have accessible and effective channels to raise concerns about NextEnergy Group assets and receive a timely response.

KEY PERFORMANCE INDICATORS



⁴ Mapping with the United Nations Sustainable Development Goals (UN SDGs) is provided to indicate NextEnergy Group's commitment and contribution to the SDGs.



Commitment 2: Shared Community Benefits

By 2030, all NextEnergy Group Assets in Scope will apply the Group approach to community benefits, with benefits reflecting local needs and priorities.

Materiality: Community Relations, Local Employment | UN SDGs: 7, 8 & 10

Although important, mitigating community-related risks does not fulfil NextEnergy Group's ambition. Our ambition is to contribute positively to the communities that host our assets.

NextEnergy Group adopts a context-specific approach to community benefits, whereby benefits are identified, designed and delivered through meaningful engagement with affected communities, within a defined framework of principles and minimum expectations. This approach ensures that the benefits delivered reflect communities' priorities and aspirations.

To implement this, NextEnergy Group will collaborate with local authorities, civil society organisations and community representatives in the areas where Assets in Scope are located to co-design benefit-sharing approaches that are locally relevant and financially viable. Where community benefits are required by permits or regulations, NextEnergy Group will seek to implement them in line with this approach, while ensuring compliance with all legal requirements.

Good outcomes from community benefits will mean communities are not passive hosts but are meaningfully involved in shaping benefits where appropriate - for example, benefiting from local employment opportunities, reinvestment in community priorities and, where feasible, shared ownership models. Success will be defined through the delivery of tangible, locally relevant benefits and in contributing to stronger community relationships as well as lasting socio-economic outcomes.



KEY PERFORMANCE INDICATORS

2027

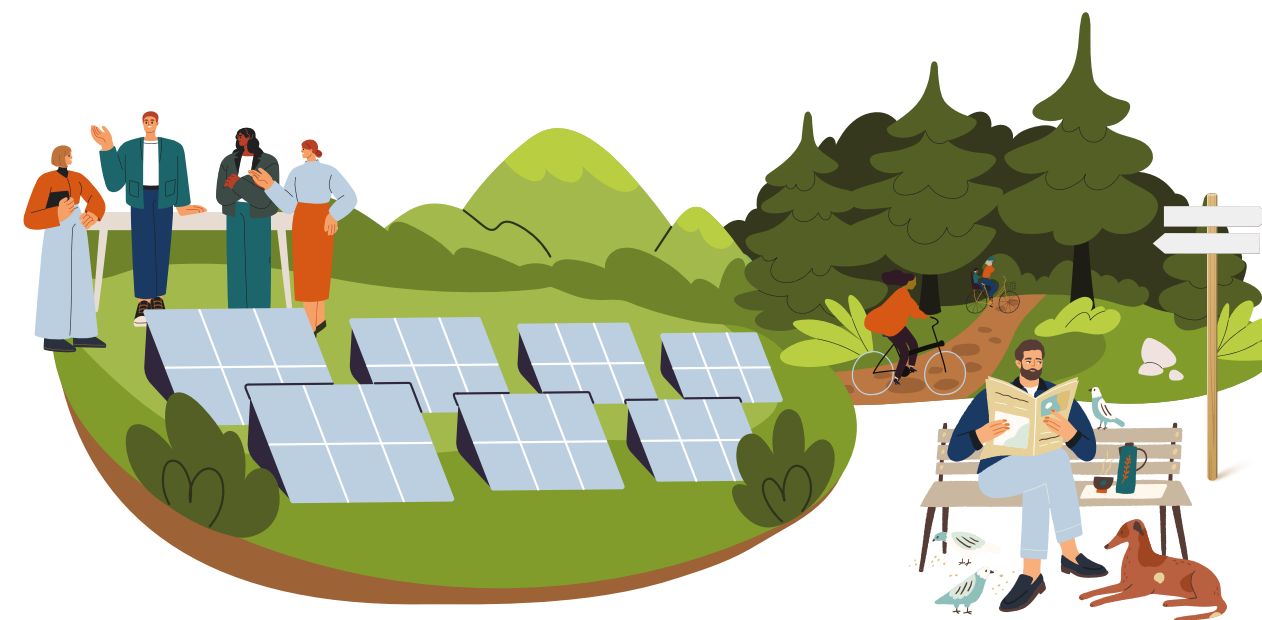
A Group-wide approach to community benefits is defined, including principles, eligible benefit types, governance and minimum expectations from new developments.

2028

The Group approach to community benefits is progressively integrated into all high and medium-risk Assets in Scope, informed by engagement with affected communities.

2029

At least two pilot initiatives are undertaken to explore locally managed community benefit funds and/or other locally governed benefit-sharing models.



Commitment 3: Community-Informed Land Use

By 2030, NextEnergy Group will ensure that, across all Assets in Scope, dual land-use and mitigation approaches, where applicable, are informed by local needs and priorities, enabling land-use decisions that support shared benefits for nature, communities, and long-term asset performance.

Materiality: Community Relations, Land Use, Local Employment | UN SDGs: 7, 8 & 10

Effective land-use decisions require balancing environmental objectives with the priorities, knowledge, and livelihoods of the communities who live and work on the land. Through this Strategy, we will integrate community insights and local expertise into dual land-use and mitigation decisions for the Assets in Scope, creating opportunities for shared environmental, community, and operational benefits. This reflects the interdependence of community and nature outcomes, where land-use and ecosystem management decisions can directly shape community well-being, local livelihoods, and the long-term resilience of the asset.

In doing so, this commitment strengthens the Responsible Land Use goal of our Nature Strategy - which aims to

manage up to 30% of our spatial footprint under dual-use land arrangements by 2030 - by ensuring that, where such arrangements are pursued, their design and implementation are informed by community priorities, landowner perspectives and local knowledge.

This approach supports land-use decisions that enhance biodiversity, community well-being, and long-term asset performance. It also aligns with international guidance, including the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, which emphasise the role of Indigenous Peoples, local communities, and affected stakeholders in nature-related decision-making.

KEY PERFORMANCE INDICATORS

2027

Group-wide guidance is defined, establishing when and how community and landowner consultation is required for land-use, dual land-use and mitigation decisions.

2028

The Group approach to community-informed land-use, dual land-use and mitigation decisions is progressively integrated into new developments and material project modifications, informed by engagement with affected communities and landowners.

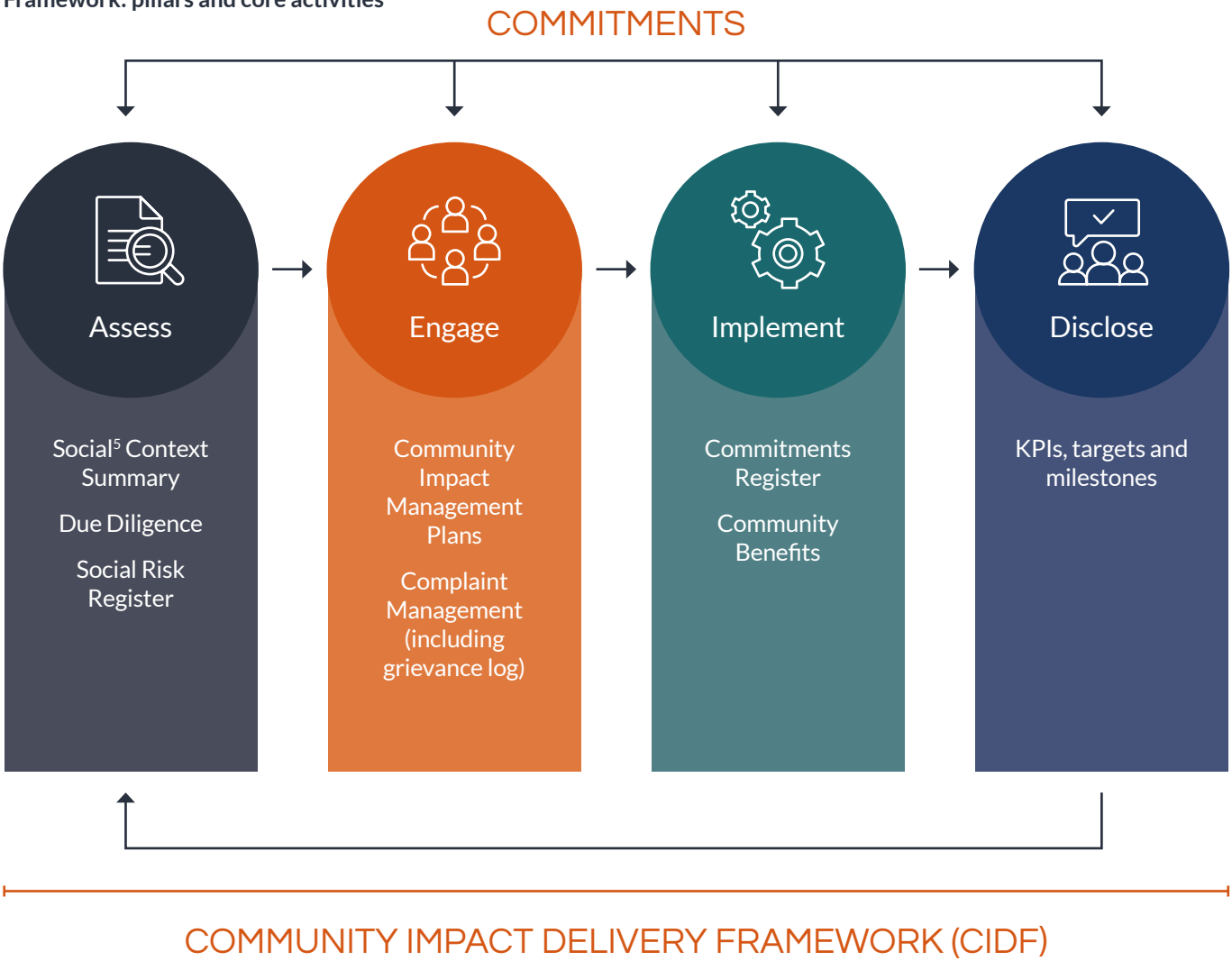
5. Community Impact Delivery Framework

NextEnergy Group delivers its Community Impact Strategy through the CIDF, which provides a structured approach to implementing the Strategy's commitments, managing community-related risks and opportunities, and supporting alignment with external reporting requirements, through a defined set of processes, procedures, and tools. It is based on a continuous improvement cycle (Plan-Do-Check-Act) and has been adapted to reflect the Group's activities and operating model.

The CIDF defines the core processes and activities required to manage community impacts across the portfolio. These processes are operationalised at asset level through Community Impact Management Plans (CIMPs), with the scope and level of detail of each CIMP proportionate to the asset's risk profile.

The CIDF is structured around four core pillars: Assess, Engage, Implement and Disclose. Each pillar comprises a set of core activities that support the management of community impacts across the asset lifecycle, as shown in Figure 4.

Figure 4: Community Impact Delivery Framework: pillars and core activities



⁵ "Social" is used here in its broader ESG sense, encompassing people-related risks and impacts (including community aspects), in line with international standards. See Glossary for further details.



Workshop closing ceremony with the Diaguita Huillanco Indigenous Community - Travesía Solar Asset (Chile), NextEnergy 3

5.1 ALIGNMENT WITH TISFD / ISSB DISCLOSURE PILLARS

The Community Impact Strategy and the CIDF have been developed with reference to the emerging TISFD framework and the disclosure architecture reflected in the ISSB Standards. Given the interconnections between climate, nature and community-related matters, the Strategy has been structured to align with the disclosure architecture used across climate-and nature-related financial disclosure frameworks, including TCFD and

TNFD, and their four pillars of Governance, Strategy, Risk and Impact Management, and Metrics and Targets, as shown in Figure 5. The governance and strategy aspects of the TISFD recommended disclosures are addressed within this Strategy, while CIDF provides the processes and tools to support the implementation and fulfil the disclosure requirements for risk and impact management, targets, and metrics.

Figure 5 – Alignment of the Community Impact Strategy and the CIDF with ISSB / TISFD disclosure pillars



Burrowton Solar Asset (UK) - NextEnergy Solar Fund

6. GOVERNANCE

6.1 ESG GOVERNANCE

NextEnergy Group's ESG activities are governed by a suite of Sustainability Policies (see Figure 7).

The Global Head of ESG is responsible for ensuring adherence

6.2 ESG TEAM AND RESOURCES

NextEnergy Group has a dedicated ESG team led by the Global Head of ESG. The team has strong combined experience in ESG leadership and management, including community matters.

The ESG team is responsible for the implementation of the Group Sustainability Policies (see Figure 6) and the strategies. It advances ESG integration into the whole business value chain, from development, investment and construction to operation and divestment. The team also provides strategic direction and leadership on key areas



Community Strategy Workshop, NextEnergy Group Milan's office, Italy

to the Group's Sustainability Policies and sustainability-related strategies - including the Community Impact Strategy, which establishes our community impact-related principles, commitments and governance - and executive decision-making on broader sustainability and ESG issues.

of the Sustainability Framework, including climate, nature, community impact and supply chain management.

The ESG team works closely with teams across Starlight, NextEnergy Capital and WiseEnergy to mitigate community-related risks and deliver positive outcomes and shared value for the communities and the business. Full details about the ESG team can be found in our annual [Group Sustainability Reports, available on the NextEnergy Group website.](#)



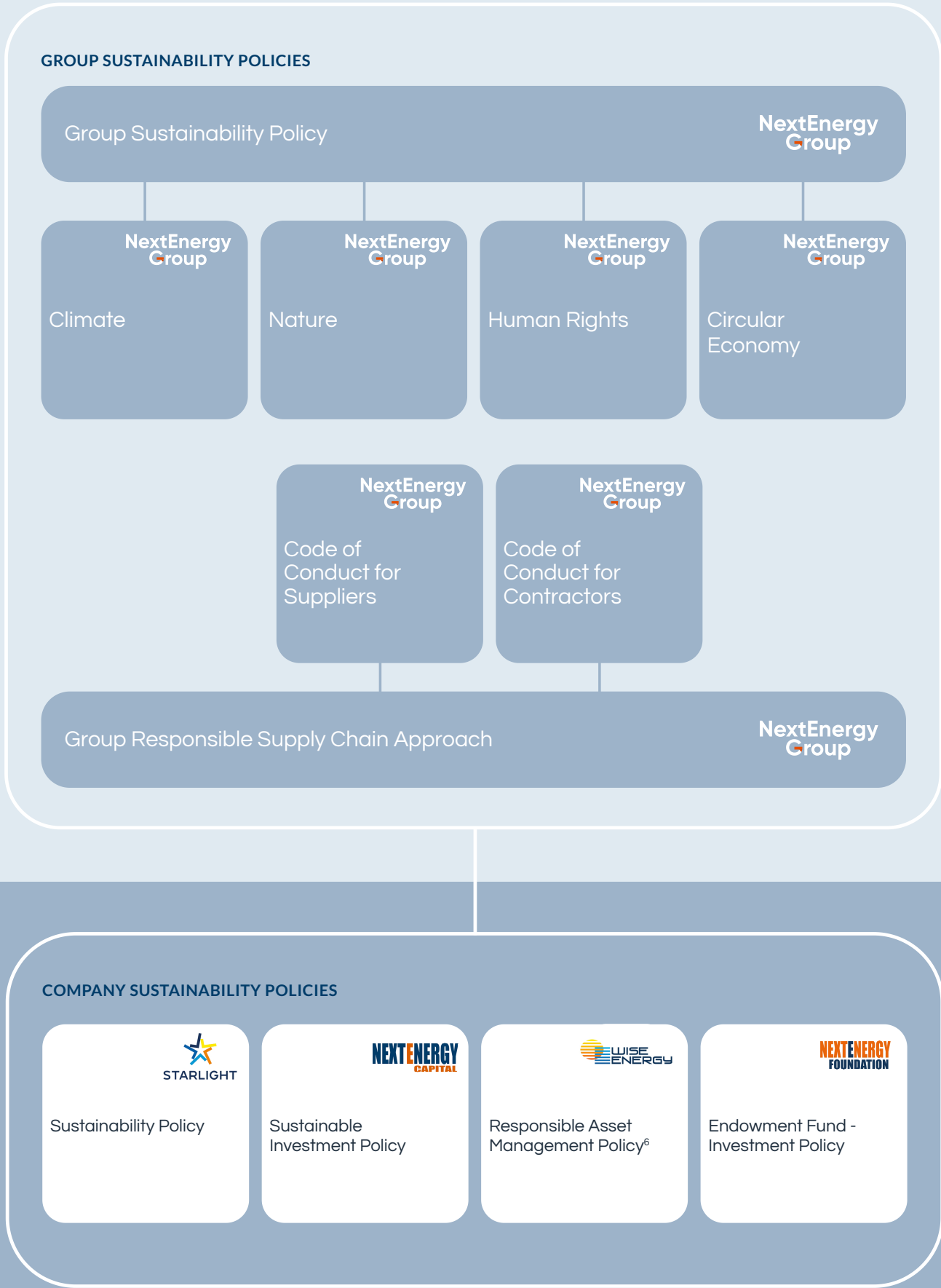
NextEnergy Group ESG Team, 2026

6.3 COMMUNITY IMPACT STEERING COMMITTEE

NextEnergy Group will establish a Community Impact Steering Committee (the **CISC**, or the **Committee**) to oversee the implementation of the Community Impact Strategy and support consistency, coordination and shared learning across the Group. The Committee will be chaired by the Group Community Impact lead and will include appropriate cross-functional representation from across the Group. It will support the integration of community impact considerations into strategy, operations, risk management, decision-making and reporting.

The Global Head of ESG and the CISC Chair will ensure that community impact-related governance is connected to the Group's wider sustainability framework. This includes clear accountability pathways to the various Group Senior Leadership teams and, ultimately, to the Global Leadership Team (**GLT**) and the CEO, ensuring oversight of community impact-related risks and dependencies in line with best practices and disclosure requirements.

Figure 6: NextEnergy Group's Sustainability Policies



⁶ At the time of publication of this Community Impact Strategy, NextEnergy Group's Circular Economy Position Statement and Code of Conduct for Contractors, and WiseEnergy's Responsible Asset Management Policy are under development, although they are already envisaged as part of NextEnergy Group's Sustainability Policies

7. Disclosures and Reporting

Sustainability disclosures are essential to drive growth in sustainable investments and accelerate the transition to clean energy. We make community-related disclosures at the Group, company and fund levels in line with internationally recognised frameworks.

7.1 NEXTENERGY GROUP

NextEnergy Group publishes an annual Group Sustainability Report, which details the progress we are making to advance positive outcomes against our Sustainability Framework.

7.2 NEXTENERGY CAPITAL

NextEnergy Capital commissions and publishes the following reports to assess the integration of ESG factors, including community-related factors across its investment activities:

- [Annual Sustainability and ESG Report \(ESG, Climate and Nature integrated report \) \(since 2024\)](#)
- [Annual TCFD-ISSB Report \(ESG and Climate, pre-2024\)](#)
- [Annual UN PRI Transparency Report \(since 2018\)](#)
- [EU SFDR ESG Disclosures \(since 2022\)](#)



7.3 NEXTENERGY CAPITAL FUNDS

In line with the EU **Sustainable Finance Disclosure Regulation (SFDR)**, NEC integrates **Principal Adverse Impact (PAI)** indicators that capture both environmental and community dimensions across its investment processes. Several of these PAIs directly relate to community outcomes—such as labour practices, human rights, community relations, and broader societal impacts—and therefore underpin this Community Impact Strategy. While our funds, at the time of publication, are classified under Article 9⁸ for their sustainable investment objectives, our approach extends beyond environmental considerations to ensure that our activities respect minimum community safeguards and do not result in significant harm to affected people or communities. NEC also publishes annual SFDR disclosures and voluntary impact reports at fund level, which provide transparency on how community and community related risks and impacts are assessed and managed. All disclosures are publicly available on NEC’s website: [Transparency and Reporting – NextEnergy Capital](#).



Emberton Solar Asset (UK) - NextEnergy Solar Fund

8. Guiding Standards & Initiatives

NextEnergy Group is committed to aligning its practices with relevant international standards, initiatives, and directives that promote responsible business conduct, community equity, and sustainable development⁹.

- **IFC Performance Standards¹⁰(2012)** - NextEnergy Group commits to manage environmental and community-related risks and impacts associated with its projects in alignment with applicable Performance Standards.
- **Equator Principles (2020)** - NextEnergy Group integrates this benchmark to identify, assess and manage community-related risks also in the financing phases of project development.
- **OECD Guidelines for Multinational Enterprises (2023)** - The OECD Guidelines offer broader recommendations for multinational enterprises to contribute to sustainable development, in concert with local communities.
- **UN Guiding Principles on Business and Human Rights (UNGPs) (2011)** - NextEnergy Group commits to implement this globally recognised standard for preventing and addressing adverse human rights impacts linked to business activities.

- **Global Reporting Initiative (GRI) Standards (2024)** - GRI standards provide the world’s most widely used framework for sustainability reporting, setting globally applicable disclosure requirements on economic, environmental, and community impacts.
- **Taskforce on Inequality and Social-related Financial Disclosures (TISFD) (2026)¹¹** - NextEnergy Group is a member of the TISFD Alliance, which supports the ongoing development of TISFD. TISFD is a disclosure framework for inequality and social-related financial disclosures, focusing on businesses’ impacts, dependencies, risks, and opportunities related to people.
- **SEIA Solar Commitment Handbook (2021)** - A voluntary industry code of conduct developed by the Solar Energy Industries Association, promoting community and environmental responsibility in the solar sector, including labour, health and safety, environmental stewardship, and ethical business practices.
- **Solar Stewardship Initiative ESG Standard (2025)** - A certification framework for responsible and transparent solar supply chains, addressing governance, environment, and human and labour rights in solar manufacturing.

⁷ In alignment with the ISSB Standards (IFRS S1 and S2) and is informed by the recommendations of the TNFD. Alignment with the final TISFD framework will be considered where applicable once the framework is published (expected in 2027).

⁸ Article 9 refers to financial products under the EU SFDR with sustainable investment as their objective and are subject to the highest level of sustainability-related disclosure requirements.

⁹ Relevant international standards, initiatives, and directives are reviewed periodically, and updates or revisions are considered as part of NextEnergy Group’s ongoing alignment and implementation processes.

¹⁰ Under review at the time of publication.

¹¹ TISFD Framework Beta v0.1 (2026) provides draft conceptual foundations and disclosure recommendations relating to businesses’ and financial institutions’ impacts, dependencies, risks and opportunities related to people.



At NextEnergy Group, we are strengthening how community considerations are integrated into the way we develop and manage our assets, building on our experience, local knowledge and evolving good practice to support shared value, long-term resilience and asset performance

9. Conclusion

The community contexts in which we operate are evolving, with increasing expectations on how businesses engage with people and communities. Addressing these expectations requires an approach grounded in transparency, consistency and a genuine understanding of local context. As renewable energy infrastructure grows in scale and complexity, so do the community-related risks and opportunities that need to be managed.

NextEnergy Group has established approaches for engaging with communities across its projects. This Strategy builds on that experience by introducing a more structured and consistent approach to managing community-related risks, impacts and opportunities across our assets. As we move forward, this Strategy will help guide our decisions, prioritise actions and strengthen the relationship with the communities that host our projects, ensuring we deliver shared value in the places where we operate.

The Strategy also sets a practical path for implementation. Through the Community Impact Delivery Framework, we aim to embed more consistent and participatory approaches from project development through to decommissioning. This includes strengthening governance, deepening our stakeholder engagement practices, enhancing due diligence, and working towards defined interim milestones to 2030. Together, these

elements provide a basis for monitoring progress and supporting more stable project delivery, operational resilience and long-term asset performance.

As the Strategy implementation gets underway, we will learn from our actions and adapt accordingly, drawing on the practical experience of our teams working across different technologies, lifecycle stages, geographies and communities. This will be key to ensuring that our approach remains effective and grounded in practice. Ultimately, this Strategy is intended to support a more inclusive and resilient energy transition - one that delivers clean energy while remaining responsive to the needs and priorities of the communities that host our projects. Responsible leadership in renewable energy is not only about accelerating the energy transition; it is about delivering it with communities, and with trust.

Because how we engage matters just as much as what we build. One renewable energy project at a time.



Berwick Solar Asset (UK) - Next Energy Solar Fund

Glossary

Affected Communities

Those communities that are directly or indirectly affected by a project’s environmental and community impacts, in line with IFC PS 1.

Asset

The term “asset” refers to a renewable energy generation project or energy storage, together with its associated land rights, permits, contracts and supporting infrastructure, that enables the generation, storage, integration, delivery or monetisation of clean energy throughout its operational life.

Assets in Scope

Renewable energy generation, energy storage and related energy infrastructure assets to which a commitment under this Strategy applies, as defined by the scope and applicability criteria set out in Section 4.2 Scope and Applicability. These criteria may include the asset’s community-related risk profile, lifecycle stage, date of acquisition or entry into development, portfolio context and expected divestment timing.

Community Benefits

Community Benefits are the intentional, measurable community, economic, and environmental improvements delivered by the asset to affected communities, designed in response to local priorities and sustained across the project lifecycle. Such benefits may include, but are not limited to, local employment targets and provision, locally managed community funds, shared infrastructure, community programmes, or community equity participation, depending on local context.

Community Impact Delivery Framework or CIDF

A framework developed by NextEnergy Group, based on the Plan-Do-Check-Act management system approach, to identify and manage community-related risks and support implementation of the commitments set out in the Community Impact Strategy.

Community Impact Management Plan or CIMP

An asset-level plan used to identify, manage and monitor community and social-related risks, impacts and mitigation measures.

Community Impact Steering Committee or CISC

The leadership committee of NextEnergy Group responsible for overseeing the implementation of the Community Impact Strategy.

Community-related Risk Rating of Assets

For the purposes of this Community Impact Strategy, risk categorisation is based on both the likelihood and severity of potential community impacts, as well as the extent to which appropriate management measures are in place. This classification is used to inform proportionate due diligence, stakeholder engagement, and mitigation measures, in alignment with internationally recognised stakeholder

engagement good practice, including the IFC Performance Standards.

- **Higher-Risk Assets**

Higher-risk assets are those considered more likely to present adverse community impacts due to factors such as large project scale, complex land acquisition, proximity to communities or vulnerable groups (including Indigenous Peoples), sensitive ecosystems, cumulative impacts, or elevated regulatory, community, or governance risks. These assets are expected to require enhanced due diligence, intensive and ongoing stakeholder engagement, and strengthened mitigation and monitoring measures. These assets may also include cases where management measures are limited or not yet fully implemented, increasing the likelihood or severity of potential impacts.

- **Medium-Risk Assets**

Medium-risk assets are those considered more likely to present moderate community impacts that are generally site-specific, predictable, and manageable through standard mitigation measures. These risks may arise from moderate land use requirements, regular interaction with local communities, construction-related impacts, or operating in jurisdictions with evolving regulatory or community contexts. Medium-risk assets typically require targeted due diligence, structured stakeholder engagement, and regular monitoring.

- **Lower-Risk Assets**

Lower-risk assets are those considered less likely to present adverse community impacts, typically due to smaller scale, limited land disturbance, location in non-sensitive or previously developed areas, minimal community interaction, and stable regulatory and governance contexts. These assets generally require standard due diligence and proportionate stakeholder engagement or are effectively managed through existing controls and processes.

Cultural Heritage

The legacy of physical artefacts and intangible attributes of a group or society that are inherited from past generations, maintained in the present, and passed on to future generations.

Displacement

The physical or economic relocation of people as a consequence of project-related land acquisition, restrictions on land use, or changes in access to natural resources. Physical displacement occurs when people are required to move from their homes or places of habitual residence. Economic displacement occurs when people lose access to productive assets, income sources, or livelihoods — such as farmland, grazing areas, fishing grounds, or forest resources — without necessarily being

physically relocated. Under IFC Performance Standard 5, displacement must be avoided where feasible; where unavoidable, it must be mitigated through fair compensation, livelihood restoration, and, in the case of vulnerable or disadvantaged groups, targeted measures to improve or at least restore pre-project living standards.

Double materiality assessment

An assessment that considers both the impact materiality and financial materiality of a sustainability matter.

- **Impact materiality** pertains to the company’s actual or potential positive or negative impacts on people or the environment. It encompasses the impacts of the company’s operations and its value chain. It is measured by severity and likelihood.
- **Financial materiality** examines the risks and opportunities that a sustainability matter may have on a company’s financial position. This is measured by scale and likelihood, with the thresholds set by the company. Financial materiality can serve as a good proxy for a company’s ability to deliver its strategy.

An issue can be considered material from an impact or financial perspective, or both.

Environmental, Social, and Governance or ESG

A framework used by investors, regulators, and businesses to evaluate how an organisation identifies, manages, and reports on its environmental, social, and governance risks, impacts, and opportunities.

Equator Principles

A globally recognised framework used by financial institutions to determine, assess and manage environmental and social risks in project financing, providing a benchmark for responsible due diligence and risk management.

EU Sustainable Finance Disclosure Regulation or SFDR

The EU SFDR applies to investment products. The SFDR requires reporting organisations to disclose how sustainability risks are considered in their investment process, what metrics they use to assess ESG factors, and how they address assessment decisions that might result in negative impacts on sustainability.

EU SFDR Article 9

Financial products classified under Article 9 of the SFDR must have sustainable investment as their core objective. This means their investment strategy is explicitly aligned with environmental or social goals, alongside good governance practices. In contrast, Article 8 financial products promote environmental or social characteristics but do not have sustainable investment as their primary objective.

EU Taxonomy

The EU Taxonomy Regulation establishes a classification system for environmentally sustainable economic activities. It defines criteria to determine when an activity makes a substantial contribution to environmental objectives, does no significant harm to other objectives, and complies with minimum safeguards.

Global Reporting Initiative or GRI

An independent international organization that provides the world’s most widely used standards for sustainability reporting. The GRI Standards help organizations—across sectors and sizes—report on their impacts on the economy, the environment, and people (including human rights).

Grievance and Complaint Mechanism

A formal process that enables individuals, groups, or Affected Communities to raise concerns, complaints, or grievances regarding a project or company’s activities and seek remedy. The mechanism aims to facilitate fair, transparent, and timely assessment and resolution of concerns, and is designed to be accessible, proportionate to the project’s risks and impacts, and aligned with applicable international standards, including the **UN Guiding Principles on Business and Human Rights** or **UNGPs**.

International Finance Corporation Performance Standards or IFC PS

The leading international framework for managing environmental and community-related risks and impacts in private sector projects, used by companies and investors to ensure sustainable, responsible, and inclusive development outcomes. Available from: [2012-ifc-performance-standards-en.pdf](#)

Indigenous Peoples

Distinct community and cultural groups who self-identify as such and are recognised by their community, and who maintain collective attachment to ancestral lands, territories, and natural resources. They maintain distinct languages, cultures, knowledge systems, and institutions, and often seek to preserve, develop, and transmit these to future generations. Key characteristics commonly recognised in international standards (e.g., United Nations, International Labour Organisation, International Finance Corporation) include:

- Self-identification as Indigenous and recognition by their community.
- Collective attachment to ancestral territories and natural resources.
- Distinct cultural, community, economic, and political systems separate from dominant societies.
- May have experienced historical disadvantage or marginalization in certain contexts.

International Sustainability Standards Board or ISSB

The ISSB was established by the International Financial Reporting Standards Foundation at the 2021 COP26 climate summit in Glasgow. The ISSB has developed global baseline sustainability standards, with its IFRS S2 Climate-related Disclosures standard incorporating the recommendations of the TCFD.

Land Acquisition

The process of securing rights to use, occupy, or access land for the development, construction, and operation of solar and other renewable energy assets. This may involve a range of land tenure arrangements, including but not limited to: freehold purchase, leasehold agreements, tenancy agreements, licence agreements, easements, wayleaves, options to purchase or lease, and other time-bound or conditional access rights. It includes both the securing of new rights and the renewal or modification of existing arrangements, and applies regardless of whether the land is privately, communally, or publicly held.

Meaningful Community Engagement

An early, inclusive, and ongoing process through which solar and renewable energy developers engage affected stakeholders in proportion to the scale and risk of the project, provide timely and accessible information, enable two-way dialogue and feedback to inform decision-making, address concerns, and build long-term trust and shared value—conducted transparently and without coercion, intimidation, or undue influence.

Physical Displacement

The loss of housing or shelter and the relocation of affected people, whether temporary or permanent, as a result of project-related land acquisition or land-use restrictions.

Principal Adverse Impact or PAI

A standardised set of mandatory and voluntary indicators defined under the EU Sustainable Finance Disclosure Regulation (SFDR) that measure the most significant negative effects of investment decisions on environmental, social, and governance factors. PAIs cover areas including greenhouse gas emissions, biodiversity, water, waste, labour rights, human rights, anti-corruption, and community impacts. Financial market participants are required to report against these indicators at entity and product level, providing a consistent basis for investors and stakeholders to assess and compare the adverse sustainability impacts of financial products. Several PAIs relate directly to community outcomes — including those on human rights and broader societal impacts — and therefore underpin the reporting commitments of this Community Impact Strategy.

Responsible Land Use and Dual Land Use

Approaches to land acquisition, access, and management that seek to avoid or minimise community and environmental impacts, promote compatible land uses alongside renewable energy assets, and ensure that land-use decisions are informed by engagement with landowners and local communities.

Social

This term relates to the impacts, risks, dependencies, and opportunities that arise from a business’s interactions with people and society. In the context of ESG and sustainability frameworks, “social” encompasses human rights, labour standards, health and safety, community relations, land rights, Indigenous Peoples’ rights, inequality, and broader societal wellbeing. It is the term used by international standards — including the IFC Performance Standards, GRI and TISFD — to describe the people-related dimension of responsible business conduct.

Solar+

The term used by NextEnergy Group to refer to solar PV assets together with complementary technologies and infrastructure that support the generation, storage, integration and delivery of clean energy, including battery energy storage systems and other energy transition enablers.

Task force on Climate-related Financial Disclosures or TCFD

The TCFD was established to improve the way organisations manage climate risks and opportunities. TCFD established a standardised reporting methodology to provide forward-looking information on the material financial impacts of climate change. The provisions of the TCFD have now been incorporated into the reporting of the ISSB.

Taskforce on Inequality and Social-related Financial Disclosures or TISFD

The TISFD is a global, multi-stakeholder initiative established to develop a framework that enables businesses and financial institutions to disclose how their activities affect—and are affected by—inequality and community issues. The aim is to improve transparency around these impacts, dependencies, risks, and opportunities.

United Nations Guiding Principles on Business and Human Rights or UNGPs

The UNGPs are the global standard that define the responsibilities of states and businesses to prevent, address, remedy and report on human rights impacts related to business activity.

United Nations Sustainable Development Goals or UN SDGs

The UN SDGs are 17 global goals designed to guide collective action toward ending poverty, protecting the environment, and promoting inclusive prosperity by 2030.

