

**NextEnergy Capital Limited
(the "Firm")**

RESPONSIBLE INVESTMENT POLICY

Introduction

NextEnergy Capital ("NEC") recognises the value in responsible investment and has become an increasingly intrinsic part of its main investment policy. It applies to its activities across two distinct investment areas: private equity and listed equity. NEC recognises the positive impact of integrating ESG principles in the investment process and recognises the value in considering ESG metrics when identifying potential investment opportunities. Consequently, NEC has developed a comprehensive ESG policy and is committed to evolve its processes and risk management and delivering responsible and sustainable growth for the long term.

ESG assessment will form a crucial part of the decision-making at NextEnergy Capital and particularly for its third and most recently launched private equity fund: NextPower III ("NP III").

Definition of Responsible Investment

"Responsible investment is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns."

ESG is the environmental, social and corporate governance issues that investors, asset owners and managers consider in the context of corporate behaviour. Examples of ESG issues include:

Environmental: Energy efficiency, carbon reduction, pollution, waste management and deforestation.

Social: Human rights, impact on local community, equality, employee relations and health and safety.

Governance: Political lobbying, management structure, anti-money laundering and conflicts of interest.

There is increasing recognition within the financial community in the value ESG factors play in determining risk and return. Following ESG metrics can be of a competitive benefit to investment services and help differentiate itself to its competitors.

PRI: Principles for Responsible Investment

NextEnergy Capital Group is committed to the UNPRI, an independent, international initiative that is the leading proponent of responsible investment. As a signatory to UNPRI, NextEnergy Capital Group companies work together to enhance the effectiveness by which it implements the Principles for Responsible Investment, reflecting the Company's initiative to incorporate ESG issues into investment analysis, decision-making processes, ownership policies and practices:

- 1) We will incorporate ESG issues into investment analysis and decision-making processes.

- 2) We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3) We will seek appropriate disclosures on ESG issues by the entities in which we invest.
- 4) We will promote acceptance and implementation of the principles within the investment industry.
- 5) We will work together to enhance our effectiveness in implementing the principles.
- 6) We will each report on our activities and progress towards implementing the principles.

NextEnergy Capital's ESG metrics

NextEnergy Capital views the adoption of ESG principles as a potent source of innovation and competitive advantage for its core business. In this sense, it continues to commit to generating economic value in a way that also produces value for society by addressing its challenges and safeguarding the transition to a low-carbon economy.

In order to maximise value creation, the Company accounts for ESG metrics that relate to the value chain of its activities. By proactively taking an additional step to traditional investment in the photovoltaic solar industry, it aims to create higher standards of long-term value in the entire industry.

Environmental

- NEC focuses exclusively on generating electricity from 100% clean energy (solar PV) sources, thereby contributing to reducing greenhouse gas emissions and achieving global climate mitigation targets. It targets a reduction of CO₂ emission of over 2 million tons per year.
- NEC is committed to protecting the natural environment from activities arising from the construction and operation of its PV plants and actively works to enhance biodiversity.
- NEC undertakes extensive due diligence to ensure that all its projects are in line with local environmental regulation and with international standards such as the IFC Performance Standards.

Social

- NEC is currently in the process and will increasingly take part in financing the construction and operation of new solar plants, thereby contributing to additional job creation in the countries it targets.
- NEC takes full account of health and safety impacts beyond the relevant local regulations and throughout all phases of the solar PV asset life.
- Community engagement forms a key part of NEC's ongoing asset management strategy; current NEC-managed funds have significantly contributed to the development of local communities. NextEnergy has launched an independent charitable foundation focused on alleviating poverty through promotion of renewable energy.

Governance

- NEC recognises the importance of avoiding conflicts of interest and upholds high standard of corporate governance for its own entities and for the portfolio companies invested by NEC managed funds.

- NEC's managed funds do not intend to invest in projects developed by NEC where NEC would make a development profit.
- NEC conducts its dealings with local authorities in a transparent manner, adhering to the rule of law and procedures of each jurisdiction in which its assets operate.
- NEC's Advisory Board includes high profile professionals with energy, financial and environmental background and advises the management team in implementing and upholding best governance practices.
- NEC has appointed a dedicated senior ESG manager who is responsible to review ESG information through the due diligence phase and to provide her views to the Investment Committee. The ESG manager is committed to developing its ESG policy to achieve and maintain best-practice.

NextEnergy Foundation

In considering NEC's approach to responsible investment, the NextEnergy Foundation was founded in 2017 with the mission to provide energy and light from renewable energy sources to underserved regions as well as to benefit local communities. The Foundation represented NEC's participation in the global effort to reduce carbon emissions, provide clean power sources in regions where it is not available today and contribute to poverty alleviation.

NEC recognises the importance of benefiting society as a whole and this is reflected through its vision and mission to deliver through research and learning activities. For example, it has taken part in funding thousands of solar lights to school children in Syria and to the world's largest refugee camp in Northern Uganda.

NEC has pledged 5% of its net annual profits to the Foundation.

Reporting and Governance

NEC has appointed Green Investment Group as an independent ESG consultant to provide further transparency and reporting on NextPower III activities. GIG is the world's first green investment bank, where their Green Impact assessment methods have been applied on a total £12bn of green infrastructure investments. GIG will produce independent ESG reporting regarding NP3, known as the Green Impact Report, to be made available to investors. The report will include quantified, comparable green data on: greenhouse gas emissions avoided at fund level, greenhouse gas emissions avoided by asset, air pollutants avoided and equivalent fossil fuel use avoided.

In 2017 NEC appointed Giulia Guidi as the ESG senior advisor who is responsible for overseeing NEC's commitment to its ESG targets.

NextEnergy's Responsible Investment Policy is effective from March 2018 and will be reviewed and amended as appropriate from time to time.