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The Principles for Responsible Investment (“PRI”) define “Responsible investment as 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.”¹ It is responsible investment driven by financial implications and its main purpose is to decrease investor risk and improve risk-adjusted returns.

There is an increasing body of evidence to suggest that companies with sustainable business models deliver improved financial returns and that investors taking sustainability into account can deliver improved risk-adjusted performance.²

As long-term investors and investment managers of renewable energy and sustainable infrastructure assets, NTR is by its nature focused on critical ESG factors and the responsible stewardship of its investments.

NTR operates to the highest ethical standards and has a clearly defined risk culture. NTR aims to incorporate ESG best practice into all aspects of its business and ensure that a minimum risk adjusted long term rate of return is achieved.

This policy sets out NTR's objectives and approach to integrating ESG factors into all parts of its investment cycle – due diligence, negotiation, investment, construction, operations, investment monitoring, reporting and exit/decommissioning. NTR aims to identify critical ESG factors and ensure that they are considered and integrated into the way NTR conducts its business. In this way, NTR aims to meet its objective of being an investor in sustainable infrastructure while having a positive influence on the sector in which it operates.

In integrating ESG into its investments NTR has the following goals:


- Incorporate structures and actions that place ESG at the centre of how we do business.
- Identify and minimise the ESG risks and negative impacts of our business.
- Identify and create positive ESG impacts from our investments where possible.
- Act in accordance with applicable laws and regulations.
- Continue to improve and modify our structures and actions and align with international best practice standards (e.g. Principles for Responsible Investment).

1. *What is Responsible Investment? PRI*, <https://www.unpri.org/pri/what-is-responsible-investment>

2. *From the Stakeholder to the Stakeholder: How Sustainability can drive financial outperformance*. Arabesque Partners and the University of Oxford.

NTR's Investment Policy is Aligned to Internationally Accepted Principles

Signatory of:



Principle for Responsible Investment

The United Nations supported Principle for Responsible Investment (PRI) is recognised as the leading global network for investors who are committed to integrating environmental, social and governance (ESG) considerations into their investment practices and ownership policies.

NTR became a member of PRI in 2018 and uses the PRI framework to benchmark ESG best practice and showcase its ESG capabilities to the wider investor community.

PRI's network of international investors works together to implement a set of voluntary principles that provide a framework for integrating ESG factors into investment analysis and ownership practices aligned with investors' fiduciary duties.

NTR implements these principles in the management of its various investment funds.

	PRI Principle	How NTR Adopts This Principle
1	We will incorporate ESG issues into investment analysis and decision-making processes.	<ul style="list-style-type: none"> ESG items are key items considered by NTR's investment team and addressed in investment papers presented to the independent Investment Advisory Committee for review and to each of NTR's Fund's Boards for approval.
2	We will be active owners and incorporate ESG issues into our ownership policies and practices.	<ul style="list-style-type: none"> Investments made by NTR funds are either majority owned or fully owned by each fund. NTR acts as Asset Manager on behalf of each fund, enabling active ownership and incorporating ESG issues into ownership, policies and practice. ESG issues are adopted into our procedures. ESG issues are monitored monthly by NTR operations and reported upon quarterly and annually to our funds.
3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.	<ul style="list-style-type: none"> ESG topics are items investigated and reported upon in all due diligence reporting of acquisitions/investments. ESG topics are monitored monthly by NTR at monthly operations meetings and actively reported to each fund on a quarterly basis.
4	We will promote acceptance and implementation of the principles within the investment community.	<ul style="list-style-type: none"> NTR is an active member of PRI and SIF Ireland, promoting ESG. NTR makes best endeavours to respond to the ESG requirements of our investors.
5	We will work together to enhance the effectiveness in implementing the principles.	<ul style="list-style-type: none"> NTR is an active member of the PRI, attending workshops, conferences, webinars and completing annual reports. NTR is looking to encourage ESG best practices from key supply chain suppliers, consultants and advisors, primarily through self-compliance statements and Tier 1 supply-chain audits where Tier 1 suppliers are defined as any supplier with whom we have more than €25,000 annual spend.
6	We will each report on our activities towards implementing the principles.	<ul style="list-style-type: none"> NTR reports on its ESG activities internally (monthly) and to its funds' investors (quarterly). NTR also reports on certain ESG matters to its debt providers on an exceptions basis. PRI Signatories are required to report on their responsible investment activities annually. This ensures: <ul style="list-style-type: none"> accountability of the PRI and its signatories; a standardised transparency tool for signatories' reporting; and that signatories receive feedback from which to learn and develop.

Figure 1 – The UN supported Principles of Responsible Investment (PRI) & How they are Adopted by NTR

04 NTR's Investment Policy is Aligned to Internationally Accepted Principles continued

UN Sustainable Development Goals (SDGs)

In 2015, world leaders gathered at the UN to adopt 17 Sustainable Development Goals to achieve several objectives by 2030: end poverty, promote prosperity and well-being for all, and protect the planet. The UN Sustainable Development Goals have been adapted by 193 countries.

NTR's business and investment approach helps to address the following UN Sustainable Development Goals*:




UN SDG	How NTR Adopts This Principle
3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> NTR's primary contribution to societal good health and well-being is through the generation of clean energy. Good health and well-being of its employees is valued by NTR. Together with a positive working environment and active safety management, NTR supports a healthy lifestyle amongst its employees.
4 QUALITY EDUCATION 	<ul style="list-style-type: none"> NTR provides continuous learning supports for its employees. The NTR Foundation supports third level education and research programs in the areas of climate change and resource sustainability.
5 GENDER EQUALITY 	<ul style="list-style-type: none"> NTR aims for a balanced gender split in all levels of its organisation. NTR does not distinguish remuneration by gender.
7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> As a developer and operator of renewable energy including on-shore wind and solar, NTR's strategy is very much aligned to the UN sustainable development goal of affordable and clean energy.
8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> NTR provides a comfortable and flexible working environment for its employees. NTR regularly benchmarks its pay scales to ensure it is operating in line with the relevant job positions. NTR is in the process of engaging with its Tier 1 suppliers to ensure they are not participating in any activities that would cause them to be excluded under unacceptable work practices.

UN SDG	How NTR Adopts This Principle
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> As a developer and operator of renewable energy at a competitive price, NTR's strategy is aligned to the UN sustainable development goal of industry, innovation and infrastructure. NTR is not an early adaptor of innovation typically due to the associated risks of first-move-disadvantage. However, NTR moves quickly to adapt cost-effective proven innovations.
10 REDUCED INEQUALITIES 	<ul style="list-style-type: none"> NTR offers good quality incomes ensuring that all its employees have a good standard of living. NTR offers equal opportunity to all of its employees regardless of sex, race, religion or ethnicity. NTR promotes the internationalisation of its workforce. NTR is seeking confirmation of similar values in its Tier 1 supply chain providers.
11 SUSTAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> NTR's strategy of developing renewable power supports sustainable development of urban centres. NTR supports the rural communities in which it develops its renewable projects, particularly through the provision of community benefit schemes.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> Development of renewable energy projects is a core aspect of responsible consumption and production by using freely available, undiminishing natural resources to generate renewable energy. In the construction, operation and decommissioning of its projects, NTR optimises its material requirements, minimises its waste generated and maximises the recycling of waste.
13 CLIMATE ACTION 	<ul style="list-style-type: none"> NTR uses the natural and freely available resources of wind and solar generating renewable energy and offsetting carbon emissions associated with traditional, fossil fuel-based energy generation all of which is at the heart of addressing climate action. NTR, through the NTR Foundation, supports programmes that address climate change and resource sustainability. The NTR Foundation is an independent philanthropic organisation supported by NTR. Its mission is to address the challenges of climate change and resource sustainability by providing targeted financial support to select projects, research and organisations. See http://www.ntr-foundation.org/
14 LIFE BELOW WATER 	<ul style="list-style-type: none"> The SDG's aim of Life Below Water is to sustainably manage and protect marine and coastal ecosystems from pollution. NTR supports this aim through the careful management of rivers and waterways located close to its renewable energy generation sites. It does this primarily using independent hydrologists, ecologists and environmentalists who monitor and report the water's condition throughout a project's lifecycle, where appropriate.
15 LIFE ON LAND 	<ul style="list-style-type: none"> The SDGs aim of Life on Land is to conserve and restore the use of terrestrial ecosystems such as forests, wetlands, drylands and mountains. NTR supports this aim through the careful management of lands located near to its renewable energy generation sites. It does this primarily using independent ecologists and environmentalists who monitor and report the land's condition throughout a project's lifecycle. Included in this program of work is the protection of natural habitat during construction and the restoration of lands and implementation of biodiversity and landscape plans post construction.

* The UN Sustainable Development Principles 1 (No Poverty), 2 (Zero Hunger), 6 (Clean Water & Sanitation), 16 (Peace, Justice & Strong Institutions) and 17 (Partnership for the Goals) have been omitted as NTR's business and investment strategy does not impact these goals directly.

Figure 2 – Twelve of the 17 UN Sustainable Development Goals to which NTR impacts.

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The 10 Principles of the UN Global Compact

The United Nations Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. These principles are derived from the Universal Declaration of Human Rights, the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption. NTR is a supporter of these 10 principles and encourages its supply chain to do likewise:

UN Global Compact Principles

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.
Principle 2	Businesses should make sure they are not complicit in human rights abuses.
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4	Businesses should uphold the elimination of forced and compulsory labour.
Principle 5	Businesses should uphold the effective abolition of child labour.
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Principle 7	Businesses should support a precautionary approach to environmental challenges.
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

Figure 3 – The 10 Principles of the UN Global Compact

NTR acquires, constructs and manages sustainable infrastructure assets.

08 Investment Approach

How NTR assesses its investments and how NTR might be viewed from an investor point of view is summarised against various investment approaches in the following table:

Investment Approach	Explanation	How NTR Views Its Investment Opportunities from this Investment Approach	How an Investor Might View NTR from this Investment Approach
Negative Screening	<p>Negative screening can be considered a form of Norms Based Screening where investments are checked against minimum standards of business practice based on international norms.</p> <p>Typically, negative screening means excluding investments that do not comply with specific, pre-set social or environmental criteria. For example, negative screening could be based on sector, country or international norms. Examples include companies involved in the production of alcohol, tobacco or gambling products, weapons manufacturers, or companies that use child labour. Fossil fuel or nuclear power are sometimes included in this list.</p>	<p>To attain its ESG objectives of being an investor in sustainable infrastructure and having a positive influence on the sector in which it operates, NTR has put in place an exclusion checklist which is provided in Appendix A and which is applied in evaluating all acquisitions.</p> <p>NTR encourages all its Tier 1 suppliers to adopt the UN Global Compact principles or equivalent.</p> <p>NTR expects all its Tier 1 supply chain to sign up to its Supply Chain Self-Compliance Statement (See Appendix C).</p>	<p>NTR is currently focussed on renewable energy development and operation, which can displace fossil fuel energy production</p> <p>Neither NTR nor any of its affiliate companies are involved in the production of alcohol, tobacco, gambling or with any companies that produce weapons or use child labour.</p> <p>NTR supports the 10 principles of the UN Global Compact.</p>
Positive Screening	<p>Positive screening means that rather than excluding investments, investors select investments that set positive examples of environmentally friendly products, socially responsible business practices or provide solutions to the challenges of sustainable developments.</p> <p>This also includes investing in sectors, companies or projects that are chosen for their positive ESG performance relative to industry peers.</p>	<p>NTR typically invests in companies created to hold renewable energy assets.</p> <p>NTR prioritizes investment in countries with sound renewable energy policies underpinned by legislation that protects social and environmental rights.</p>	<p>By its nature of being solely focussed on low carbon renewable energy projects and doing so in a fiscally and socially responsible manner, NTR offers a sustainable, environmentally and socially friendly investment product.</p>
ESG Integration	<p>The PRI defines ESG integration as “the explicit and systematic inclusion of ESG issues in investment analysis and investment decisions</p> <p>Leading ESG Integration practitioners are:</p> <ul style="list-style-type: none"> Analysing financial information and ESG information; Identifying material financial factors and ESG factors; Assessing the potential impact of these material financial and ESG factors on economic, country sector and company performance; and Making investment decisions that include considerations of all material factors, including ESG factors. <p>Factoring in financially relevant sustainability information allows responsible investors to make more informed investment decisions with better return-risk ratios.”</p>	<p>NTR’s renewable energy projects are typically accompanied by detailed Environmental Impact Statements, Construction, Biodiversity and Landscape Management Plans underpinned by European legislation and planning conditions compliance. NTR employs independent owner’s engineers, hydrologists, archaeologists and ecological clerks of works to monitor these services.</p> <p>NTR employs leading financial consultants to support it in carrying out financial and taxation due diligence on any potential acquisitions.</p> <p>NTR operates a respectful and collegial culture offering good employment practices and operating a zero-tolerance health and safety regime.</p> <p>NTR actively engages with the community offering community support schemes and addressing any concerns raised by its projects.</p> <p>All projects must meet minimum financial returns hurdles when relevant ESG factors are factored into the investment.</p> <p>NTR has an independent Investment Advisory Committee that independently evaluates the NTR team’s assessment of the target acquisition. This assessment uses key performance metrics including financial returns, risks and ESG factors.</p>	<p>NTR seeks to not only achieve sustainable financial returns but to do so in an environmentally and socially responsible way.</p> <p>NTR monitors financial and ESG metrics on its activities.</p> <p>By the nature of its business of developing and operating renewable energy projects NTR is at the heart of the low carbon initiative.</p> <p>Operating within a European geography, NTR complies with all relevant European and OECD environmental, social and governance legislation.</p> <p>NTR actively engages with, and supports its employees and the communities in which it operates.</p> <p>Risk assessment and financial materiality remains key. All projects must meet a minimum financial returns hurdle even when all relevant ESG factors are factored into the investment.</p>

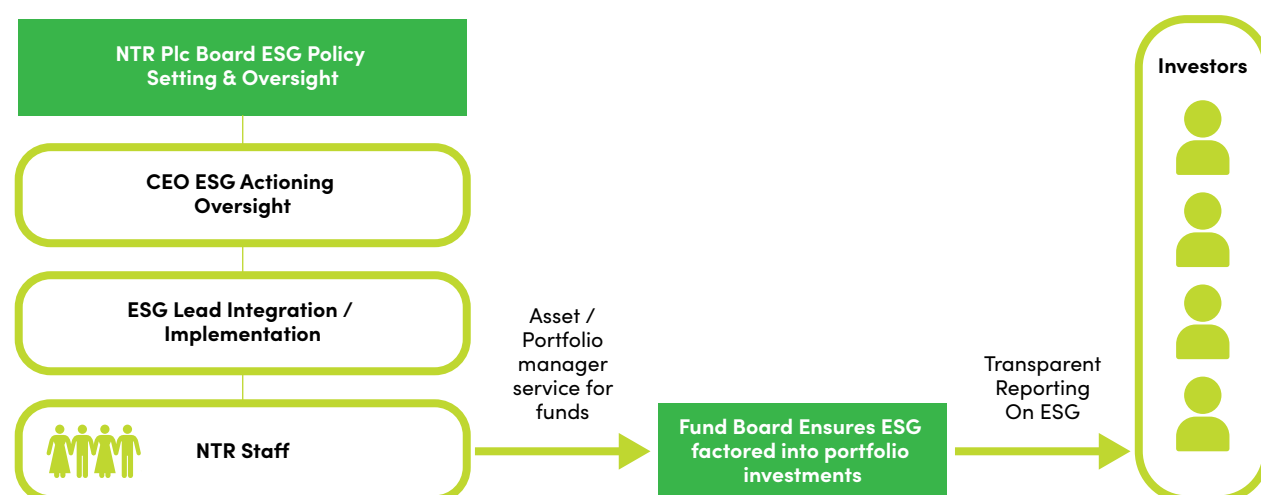
Investment Approach	Explanation	How NTR Views Its Investment Opportunities from this Investment Approach	How an Investor Might View NTR from this Investment Approach
Active Ownership and Engagement	<p>Investors increasingly wish to have a say in how companies in their investment portfolios are managed – particularly when it comes to ESG issues.</p> <p>An Active Ownership approach uses shareholder power to influence corporate behaviour, including direct engagement such as communicating with the management and board, filing shareholder proposals and proxy voting that is guided by comprehensive ESG guidelines.</p>	<p>NTR’s strategy is to acquire developed, ready to build and operational renewable energy projects using proven technologies.</p> <p>NTR’s funds typically acquire 100% shareholding of a project.</p> <p>NTR will not consider any project in which it would not have control.</p>	<p>While NTR does not offer active ownership to its fund’s LPs, NTR has a day to day management team open to suggestions by its investors.</p> <p>NTR provides quarterly & semi-annual reports to both its equity LPs and debt funders on overall progress and performance of all projects within a fund including financial performance and key ESG metrics.</p> <p>NTR’s debt funders adopt the Equator Principles – a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in project finance. It is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making.</p>
Thematic Investments	<p>Themed investing is where investors invest in specific issues to make a measurable, beneficial social or environmental impact.</p> <p>Examples of this could include investment into specific solutions such as renewable energy, waste and water management, sustainable forestry and agriculture, health products and inclusive finance.</p>	<p>NTR’s investment theme is currently focussed on low carbon renewable energy.</p>	<p>Today, NTR’s fund can be viewed as a themed investment in that currently all investments are specifically into low carbon renewable energy projects.</p>
Impact Investments	<p>Impact investing is the investment into a company, fund or organisation with the intention of generating a measurable environmental and/or social impact alongside financial returns.</p>	<p>All NTR investments measure the amount of low carbon MWhrs produced, the amount of homes powered by clean energy, CO₂ offset and investment in local communities through community benefit schemes.</p> <p>All projects must meet minimum financial returns hurdles.</p>	<p>All NTR investments in renewable energy projects contribute to affordable energy that meets the relevant countries’ renewable energy and decarbonisation targets, together with the creation of high value employment.</p>

ESG Oversight and Implementation

The ultimate oversight of this policy and NTR’s approach to integrating ESG into each of its activities, rests with the board of NTR plc, who reviews ESG performance on an annual basis. The board ensures that a robust governance framework is in place and delegates the regular oversight of ESG to the CEO of NTR plc. In turn, the CEO has delegated the implementation of ESG best practice to the Business Development Director who has responsibility for ESG (“ESG Lead”) as part of his role and who ensures that ESG best practices are integrated into each part of the business and each phase of the investment cycle.

NTR acts as an asset manager / portfolio manager to its sustainable infrastructure funds. Each fund is governed by an independent board who retains responsibility for responsible investment and ensures proper ESG oversight for their portfolio investments on behalf of their investors. NTR reports to each fund board, confirming that proper ESG practices are in place and reporting to investors on both ESG and non-ESG matters (see reporting below).

ESG objectives are integrated into each of the NTR team’s personal objectives (ESG investment considerations, ESG project construction or operations decisions, or monitoring and reporting of ESG as appropriate). ESG performance is integrated into the individual’s annual assessment and annual bonus reward.



NTR integrates ESG into each element of the investment cycle – due diligence, investment, construction, operations and monitoring activities. ESG is part of annual personal objectives and incentives

Figure 5 – Schematic of ESG oversight and implementation within NTR and on behalf of fund investors

NTR’s ESG Integration into the Investment and Asset Management Process

On behalf of its investors, NTR evaluates, invests in, develops, constructs and operates sustainable infrastructure (currently renewable energy projects), over an extended lifetime of up to 30 years. The nature of these investments raises a set of environmental, social and governance considerations – both opportunities and risks – that are specific to this type of infrastructure. Each investment will be unique, but there are common features relevant to the investments that will require consideration, decision making and monitoring throughout their lifecycle.

NTR integrates ESG into its business and investments in the following way:

Environmental

Factor	Investment Stage	Construction Stage	Operations (Asset Mgmt.) and Decommissioning Stages	Supply Chain	Reporting
Carbon Emissions & Climate Change Mitigation			NTR operates low carbon energy projects.		NTR measures the MWhr produced, CO ₂ equivalent displaced and equivalent houses powered by its renewable energy investments.
Energy Usage			NTR is a net producer rather than consumer of renewable energy.		
Water Usage			NTR works with its contractors to minimise its water consumption across each project. Where appropriate, NTR incorporates rain harvesting capabilities into its projects.		
Environmental Compliance	NTR employs independent consultants to provide environmental assessments across all stages of our projects from pre-acquisition due diligence through investment, construction, operations and decommissioning as appropriate.				

Factor	Investment Stage	Construction Stage	Operations (Asset Mgmt.) and Decommissioning Stages	Supply Chain	Reporting
Waste Management	Across all its sites, NTR employs the waste management principles of reduce, reuse and recycle, incorporating the use of suitably licensed waste management contractors to deal with all waste forms including recyclables, general and hazardous wastes.				
Planning	NTR considers all planning conditions as part of its investment cycle. Concerning conditions may become an investment exclusion factor.	NTR discharges all pre-construction and construction planning conditions prior to going operational.	NTR monitors the discharge of all ongoing planning conditions relating to each project.		NTR reports on the discharge of its planning conditions to the relevant planning authorities.
Hydrology	Where appropriate, using independent specialists, NTR evaluates the risk and impact of hydrology requirements on any investment prior to acquisition e.g. in the creation of flood risk assessments and drainage management plans.	Where appropriate, NTR's independent specialists monitor water quality prior to, during and post construction, during operations and finally during decommissioning of any project to ensure no damage is being done to the surrounding watercourses (rivers, lakes etc.).			NTR would report any water contamination breaches to the relevant statutory agencies. Material breaches of hydrology requirements are reported in the funds' quarterly reports to investors.

Factor	Investment Stage	Construction Stage	Operations (Asset Mgmt.) and Decommissioning Stages	Supply Chain	Reporting
Ecology	Where appropriate, using independent specialists, NTR evaluates the risk and impact of ecological requirements on any investment prior to acquisition.	Where appropriate, NTR employs an independent Ecological Clerk of Works (ECOW) to monitor its projects prior to, during and post construction, during operations and finally during decommissioning to ensure there is no ecological damage during the life of the project.			<p>Independent ECOWs report to NTR's construction and asset management teams.</p> <p>NTR reports any ecological monitoring requirements to the relevant authorities.</p> <p>Material breaches of ecology requirements are reported in the funds' quarterly reports to investors.</p>
Archaeology	Where appropriate, NTR, using independent specialists, evaluate the archaeological risk/impact associated with any investment prior to acquisition.	Where appropriate, NTR working with independent archaeologists and under licence with the relevant statutory agency addresses any archaeological issues identified in the construction, operation or decommissioning phases of each project.			<p>Archaeological findings are reported to the relevant statutory authority.</p> <p>Material archaeological findings are reported in the funds' quarterly reports to investors.</p>

Factor	Investment Stage	Construction Stage	Operations (Asset Mgmt.) and Decommissioning Stages	Supply Chain	Reporting
Ground Conditions (Geology)	Where appropriate, using independent specialists, NTR evaluates the risk/impact of ground conditions on any investment prior to acquisition.	Where appropriate, working with Geotech specialists NTR designs its developments and construction plans to address the prevailing ground conditions of any development.			
Nuisance Factors: Noise, Flicker, Glint & Glare	As appropriate, NTR evaluates the surroundings of each project and determines the sensitivity of such neighbours to nuisance factors such as noise, flicker, glint and glare. NTR determines the nuisance factor risk/impact associated with any investment prior to acquisition.	As appropriate, NTR carries out baseline noise, flicker, glint and glare assessments on projects prior to construction. NTR designs appropriate nuisance reduction capabilities into its developments as required in the construction stage.	As appropriate, NTR carries out baseline noise, flicker, glint and glare assessments during the operational stage of its projects. NTR installs appropriate nuisance reduction capabilities into its developments as required in the operation of its projects.		<p>NTR actively responds to any nuisance complaints made either directly to NTR or reported through statutory authorities.</p> <p>NTR works to ensure that there are no exceedances to planning permitted levels of noise, flicker, glint or glare.</p> <p>Material nuisance concerns raised are reported in the quarterly reports to investors</p>

Factor	Investment Stage	Construction Stage	Operations (Asset Mgmt.) and Decommissioning Stages	Supply Chain	Reporting
Landscaping & Biodiversity	In the Investment Stage, NTR evaluates the standard of landscaping and biodiversity required of any project and ensures adequate funding is included in the investment and construction budgets to address these requirements.	NTR implements landscaping and biodiversity plans to meet or exceed the minimum standards required of the local planning authorities.	NTR's asset management team ensure the agreed landscape and biodiversity plans of the lands in their control are maintained throughout the project life. On decommissioning, NTR will restore a project's lands to conditions agreed with the local planning authority or best practice. Where required by local authorities, NTR will put a decommissioning bond in place.		NTR reports to the local authority on the status of agreed landscape and biodiversity plans when requested. Reporting on the status of the construction and maintenance of landscape and biodiversity plans is captured in site inspections and in NTR's monthly reports.

Factor	Investment Stage	Construction Stage	Operations (Asset Mgmt.) and Decommissioning Stages	Supply Chain	Reporting
Materials Selection & Carbon Footprint of Supply Chain				NTR aims to use locally sourced materials where practical to reduce carbon footprint. If available locally, NTR will specify the use of eco-friendly cement in its project construction.	As part of ESG, NTR requests each Tier 1 supplier to indicate the % of locally sourced materials in its supply.

Social

Factor	Investment Stage	Construction Stage	Operation (Asset Mgmt.) Stage Incl. Decommissioning	Supply Chain	Reporting
Health & Safety	NTR evaluates the health and safety record & practices of any brownfield project or project under construction being assessed for investment.	<p>NTR operates a proactive health and safety regime with zero tolerance for unsafe practices.</p> <p>NTR monitors key H&S Factors including reportable incidents throughout the life of a project.</p> <p>All suppliers receive health and safety induction prior to going on site and must adhere to safe working practices.</p> <p>NTR carries out multiple health and safety audits during the construction of its projects.</p> <p>NTR continuously monitors health and safety matters on its operational sites.</p> <p>NTR specifies and rehearses emergency response plans for all its sites.</p>			NTR reports safety statistics (good catches, near misses, incidents and accidents) at its internal monthly business review and reports on health & safety in quarterly reports to the management company board and fund investors.
Community Response to Projects	NTR evaluates community response to target investments and its degree of potential impact on each investment.	NTR monitors community complaints by project and overall including, disruption during construction, noise and flicker and works with the complainants to address the problems.			NTR records the valid verified complaints received together with the associated corrective actions.

Factor	Investment Stage	Construction Stage	Operation (Asset Mgmt.) Stage Incl. Decommissioning	Supply Chain	Reporting
Community Engagement & Investment	Where feasible and where required by a host country, NTR will consider offering community-based investment/ shareholding into its projects.	<p>NTR maintains engagement with a project's surrounding community throughout the life of a project.</p> <p>Where appropriate, NTR implements a community benefit scheme to the communities surrounding its projects.</p>			NTR records the cumulative value of its community benefits annually to each investment fund.
Community Employment		NTR encourages its contractors to employ workers local to a project where practical.			
Diversity	NTR has a small workforce but supports workplace diversity. NTR does not make distinction due to race, organisational hierarchy, age, gender, marital status, religion, or ethnicity and expects the same of its main contractors and suppliers.		NTR requires its Tier 1 suppliers to abide by the UN Global Compact diversity principles.		

Factor	Investment Stage	Construction Stage	Operation (Asset Mgmt.) Stage Incl. Decommissioning	Supply Chain	Reporting
Employee Relations, Remuneration & Collective Bargaining	<p>NTR provides regular employee forums and updates to ensure employees are actively engaged in the business strategy and that their concerns are understood.</p> <p>NTR's remuneration policy is based on meritocracy. Its policy is to compensate individuals, where possible, based upon individual contribution with reference to the median point of market-based compensation comparators and to award individual performance through an annual bonus system and team wide long-term performance through a Long-Term Incentive Scheme. Benchmarking using off-the-shelf industry benchmarking reports, is regularly carried out. The company, when necessary, engages specialist consultancy services to carry out specific benchmarking of roles to ensure they are in line with the market.</p>			<p>Where appropriate, NTR recognises the collective bargaining agreements of its Tier 1 suppliers.</p>	
Human Rights	<p>The company respects the human rights of all its stakeholders.</p>			<p>The company will seek a self-compliance statement from all Tier 1 suppliers confirming that all human rights in their supply chain are being respected and protected.</p>	

Factor	Investment Stage	Construction Stage	Operation (Asset Mgmt.) Stage Incl. Decommissioning	Supply Chain	Reporting
Political Donations	<p>NTR has a policy of zero political donations.</p>				<p>The level of political donations is reported annually in each fund's annual financial statement.</p>

Governance

Factor	Comment	Reporting
NTR plc Board and Committee Governance and Structures	<p>The NTR plc board of directors comprises individuals with a mix of ability and experience across the areas of strategy, finance, market and technical, with appropriate levels of independent non-executive membership.</p> <p>The CEO and Chairman offices in NTR plc are not held by the same individual.</p> <p>NTR plc has separate Remuneration, Nominations and Audit Committees.</p> <p>NTR has appointed an Advisory Committee to assess investment proposals, comprising four independent industry experts.</p> <p>NTR maintains a risk appetite statement which is reviewed annually. NTR also maintains a risk register which is reviewed by the audit committee and board and updated twice each year.</p> <p>NTR has in place a "speak-up" policy and an anti-corruption policy.</p> <p>NTR's Company Secretary is responsible for the maintenance of company records, including board and committee minutes.</p> <p>NTR plc and its subsidiaries are subject to external audit annually.</p>	<p>NTR plc's annual report outlines board membership, role and composition of the Remuneration, Nominations and Audit committees, division of responsibilities between the Chairman, CEO and Non-Executive Directors, and the basis on which the independent directors are considered as such. A report by each of the three committees is included in the annual report. An attendance record for each board and committee meeting is also reported.</p> <p>A report of the Advisory Committee is provided to the NTR fund investment Committees/Boards as part of its consideration of investment proposals.</p> <p>Principle risks and uncertainties are reported annually in the NTR plc annual report.</p> <p>A gifts register is in place whereby all offers of hospitality or gifts given or received must be recorded in a register which is maintained by the Chief Financial Officer.</p> <p>Audited financial statements are filed with the relevant filing body in accordance with the statutory rules and timelines.</p>

Factor	Comment	Reporting
NTR Fund Board and Committee Governance and Structures	<p>NTR's fund board of directors comprise a mix of financial, market and technical experience, with appropriate levels of independent non-executive membership. Director appointments are approved by the relevant regulatory authority.</p> <p>Where applicable, fund boards may delegate responsibility for acquisitions to an Investment Committee, comprising appropriately qualified individuals.</p> <p>Each fund maintains a risk register which is updated twice each year.</p> <p>Each fund's administrator is responsible for the maintenance of company records, including board and committee minutes. Certain of these activities may be delegated to qualified external legal parties.</p> <p>The NTR funds are subject to external audit annually.</p>	<p>Each fund's annual report sets out the composition of its board.</p> <p>Where an Investment Committee is in place, it reports to the main fund board each quarter on its activities.</p> <p>Each fund reports any changes in board, committee and governance structures to its investors in its quarterly/semi-annual report.</p> <p>Audited financial statements are filed with the relevant filing body in accordance with the statutory rules and timelines.</p>
NTR ESG Incentivisation Policy	<p>Each employee's contribution to ESG is measured and bonuses are awarded accordingly.</p>	

NTR applies its know-how on behalf of investment partners, with a particular focus on wind and solar projects.

ESG Capability Building

NTR ensures that all its staff members are familiarised with the ESG policy and their role and responsibility within that policy. This policy is included in the employee induction pack. ESG training is also made available to all staff. NTR has appointed an ESG Lead within the organisation tasked with integrating ESG into all aspects of the company's activities.

28 Relevant Policies

The following table lists some of NTR’s key policies in use by NTR indicating their relevance to ESG:

Document	Environmental	Social	Governance
1. NTR Safety Statement		●	●
2. NTR Health and safety policy document		●	●
3. NTR Safety Management Process Guideline – Construction Phase		●	
4. NTR Safety Management Process Guideline – Operations Phase		●	
5. Site specific safety policies, safety plans, emergency response plans		●	
6. NTR Office Safety procedures (various)		●	●
7. Site specific environmental policies	●		●
8. Site specific Environmental Impact Assessments	●		
9. NTR Community Engagement and Community Benefit Fund Guidelines		●	●
10. NTR Employee Handbook which incorporates <ul style="list-style-type: none"> a. Equality, dignity and respect policy, b. Speak up policy, c. Conflict of interest policy 		●	●
11. Anticorruption policy		●	●
12. Code of conduct policy		●	●
13. General Data Protection Regulations (GDPR) policy (Privacy Policy)		●	●
14. Investment exclusions guidelines – (Part of ESG Policy)			●
15. Procurement Policy			●
16. NTR Fund Operations Manuals	●	●	●
17. NTR plc Board Committees Terms of Reference	●	●	●
18. Investment Advisory Committee Terms of Reference	●	●	●
19. NTR plc Risk Appetite Statement			●

Appendix A – Exclusions Checklist

The following checklist is used as the framework against which all potential investments in NTR funds are screened during NTR’s investment diligence process. The checklist must be completed and appended to the Investment Paper for verification by NTR funds’ Advisory Committees before final sign off on the investment.

Factors are assessed by their level of risk of impact from 0–5 as follows:

- 0 = no presence of factor;
- 1–2 = low risk of factor being present / having material impact, or if present has adequate mitigation;
- 3–4 = medium+ risk and requires mitigation;
- 5 = automatically excluded

When considering the extent of impact, consideration will be given to the absolute amount of impact (scale), the intensity of the impact, the duration and reversibility of impact and the vulnerability of that / those affected.

NTR ESG Screening / Exclusion Checklist

0 = no presence; 1–2 = low risk; 3–4 = medium+ risk and requires mitigation; 5 = automatically excluded

ESG Factor	0–5	Comment (including mitigation)
Does the project have a significant impact on soil and if so, can it be mitigated?		
Does the project have significant impact on water and if so, can it be mitigated?		
Is there evidence of extensive hazardous waste?		
Is there evidence of extensive emissions?		
Does the project involve significant degradation of critical habitats that cannot be mitigated?		
Does the project have a material impact on a critically endangered species that cannot be mitigated?		
Does the project have a material impact on significant archaeological artefacts?		
Does the project have a material adverse effect on the economic well-being of the immediate community in which it will be located?		
Does the project have a material adverse effect on the health of the immediate community in which it will be located?		
Does the project have a material adverse effect on the safety of the immediate community in which it will be located?		
In achieving its planning, does the project or has the project inadequately engaged with those materially affected?		
Are there material risks of forced labour or child labour being used in the project?		

ESG Factor	0–5	Comment (including mitigation)
Are there material risks of forced labour or child labour being used in the supply chain?		
Does the project involve supply chain companies that are: <ul style="list-style-type: none"> involved in the manufacture of landmines? involved in the manufacture of cluster bombs? involved in the manufacture of chemical weapons? involved in the manufacture of biological weapons? involved in the manufacture of nuclear weapons made in violation of the Nuclear Non-Proliferation Treaty? 		
Is the project tax compliant?		
Are there reasons to be concerned about the vendor and its previous actions <ul style="list-style-type: none"> from a bribery perspective? From an anti-money laundering perspective? 		

32 Appendix B – Key ESG Metrics

The following is an example of key ESG metrics used by NTR.

Environmental	Metric	Phase				Frequency					Extent			
		Pre-Construct	Construction	Operational	Decommission	Real Time	Weekly	Monthly	Quarterly	Annually	Project	Portfolio	Fund	Overall
	Renewable Energy Produced MWhrs			●		●	●	●	●	●	●	●	●	●
	CO ₂ Emissions (Tonnes CO ₂) ¹			●		●	●	●	●	●	●	●	●	●
	CO ₂ Emissions Displaced (Tonnes CO ₂) ²			●		●	●	●	●	●	●	●	●	●
	Equivalent Number of Houses Powered by Renewable Energy			●		●	●	●	●	●	●	●	●	●
	Site Environmental Inspections	●	●	●	●			●			●			
	Independent Ecological Assessments	●	●	●	●			●			●	●	●	●

Social	Metric	Phase				Frequency					Extent			
		Pre-Construct	Construction	Operational	Decommission	Real Time	Weekly	Monthly	Quarterly	Annually	Project	Portfolio	Fund	Overall
	Safety: Internal Audits		●	●	●			●	●	●	●	●	●	●
	Safety: Near Misses		●	●	●	●		●	●	●	●	●	●	●
	Safety: Lost Time Incidents		●	●	●	●		●	●	●	●	●	●	●
	Safety: Good Observations		●	●	●			●	●	●	●	●	●	●
	Safety: Hours Worked		●	●	●			●	●	●	●	●	●	●
	Safety: Inductions		●	●	●			●	●	●	●	●	●	●
	Community Engagement: Community Meetings Held	●	●	●	●			●	●	●	●	●	●	●
	Local Employment Hours Worked		●	●				●	●	●	●	●	●	●
	Community Engagement: Complaints	●	●	●	●	●		●	●	●	●	●	●	●
	Community Engagement: Community Fund Grant Distributions	●	●	●	●					●	●	●	●	●
	Community Engagement: Payments to Local Authorities (e.g. Rates)	●	●	●	●					●	●	●	●	●

Social	Metric	Phase				Frequency					Extent			
		Pre-Construct	Construction	Operational	Decommission	Real Time	Weekly	Monthly	Quarterly	Annually	Project	Portfolio	Fund	Overall
	Community Engagement: % Community Based Shareholding	●	●	●	●					●	●	●	●	●
	Employee Diversity: Gender Balance									●				●
	Employee Diversity: Ethnicity Balance									●				●
	Employee Diversity: Age Balance									●				●
	Employee: Continuous Professional Development (Hours)									●				●
	CSR: Donations									●				●

Governance	Metric	Phase				Frequency					Extent			
		Pre-Construct	Construction	Operational	Decommission	Real Time	Weekly	Monthly	Quarterly	Annually	Project	Portfolio	Fund	Overall
	Board attendance quorums									●				●
	% of Non-exec directors									●				●
	% Independent directors									●				●
	CEO/Chair duality ³									●				●
	% of Tier 1 suppliers signed up to PRI, UN GC or equivalent									●				●
	% of Tier 1 suppliers signed up to NTR ESG Self-Compliance Statement									●				●
	# Training Hours on ESG									●				●
	# ESG Engagements with Funders									●				●

Notes:

- As NTR funds focus solely on renewable energy they have zero CO₂ emissions.
- NTR measures the amount of CO₂ displaced or avoided in replacing fossil fuel generated energy with renewable energy. It uses Government published fuel mix disclosures for this calculation.
- NTR has a policy of separate Chairperson and CEO.

34 Appendix C – Tier 1 Suppliers ESG Self-Compliance Statement

NTR expects its Tier 1 suppliers to sign up to the following ESG Self-Compliance Statement or equivalent. Tier 1 suppliers are deemed to be suppliers who are awarded contracts in excess of €25,000 annually.

ESG Supplier Self-Compliance Statement

Name of Company:

("Supplier")

**Registered
Address of
Company:**

Address 1:

Address 2:

City:

Country:

Post Code:

Statement:

On behalf of the Supplier, and as a recognised Tier 1 supplier to NTR plc or its subsidiaries or affiliates, I confirm that the Supplier abides by the principles of the UN Global Compact within its organisation and supply chain i.e.

1. Supports and respect the protection of internationally proclaimed human rights;
2. Ensures that it is not complicit in human rights abuses.
3. Upholds the freedom of association and the effective recognition of the right to collective bargaining;
4. Does not permit any forms of forced or compulsory labour in its supply chain;
5. Supports the effective abolition of child labour;
6. Does not accept discrimination in respect of employment and occupation.
7. Supports a precautionary approach to environmental challenges;
8. Undertakes initiatives to promote greater environmental responsibility;
9. Encourages the development and diffusion of environmentally friendly technologies.
10. Works against corruption in all its forms, including extortion and bribery.

Signed:

Name:

Position:

Date:



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