

# Environmental, Social and Governance Policy

*NTR is a Signatory of the*



*NTR is a Member of*



*NTR Supports the UN*



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# Introduction

**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.”<sup>1</sup> 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.<sup>2</sup>

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

## 02 ESG Governance and Oversight

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 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 place. Regular reporting to investors on both ESG and non-ESG matters (see reporting below) also takes place.

ESG objectives are integrated into each of the NTR team's personal objectives e.g., 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.

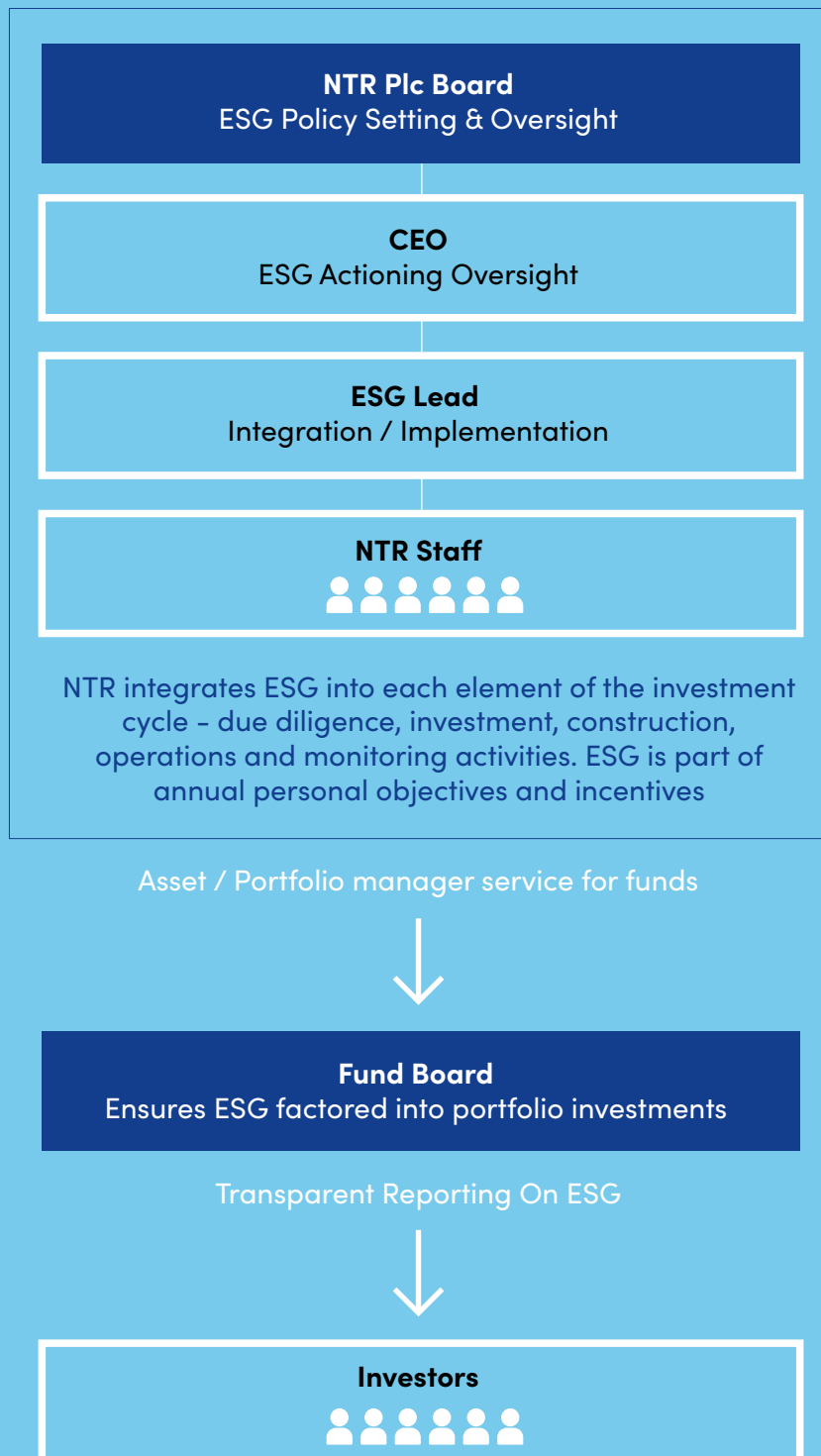



Figure 1: ESG Governance and Oversight within NTR

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

Signatory of:



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
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 disclosure 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 towards implementing the principles.

Figure 2: NTR adopts UN supported Principles of Responsible Investment

### How NTR PRI Adopts This Principle

- E, S and G items are key items considered by NTR's investment team and addressed in investment papers presented for review internally and subsequently to each of NTR's Fund's Boards for approval.

- 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.
- E, S & G issues are adopted into our procedures.
- E, S & G issues are monitored monthly by NTR operations and reported upon quarterly and annually to our funds.

- E, S and G topics are items investigated and reported upon in all due diligence reporting of acquisitions/investments.
- E, S and G topics are monitored monthly by NTR at monthly operations meetings and actively reported to each fund on a quarterly basis.

- 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.

- NTR is an active member of the PRI, attending workshops, conferences, webinars and completing annual reports.
- NTR encourages ESG best practices from key supply chain suppliers, consultants and advisors, primarily through its supplier Code of Conduct self-compliance statements and Tier 1 supply-chain audits.

- NTR reports on its ESG activities internally (monthly) and to its 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
  - accountability of the PRI and its signatories;
  - a standardized transparency tool for signatories' reporting;
  - that signatories receive feedback from which to learn and develop.



**NTR Supports UN Sustainable Development Goals (SDGs)**

As the NTR business focuses on renewable energy and sustainable infrastructure assets, it has significant impact on the UN SDG's of Affordable and Clean Energy, Sustainability Cities and Communities, and Climate Action. While the primary impact is on these three UN SDG's, NTR believes in the interrelation of all the UN SDG's and their influence on a sustainable business strategy. NTR is committed to supporting 12 of the 17 UN Sustainable Development Goals.\*



**Affordable and Clean Energy**

- As a developer and operator of renewable energy including on-shore wind and solar, NTR's strategy is at the heart of affordable and clean energy.



**Sustainable cities and communities**

- 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.



**Climate Action**

- 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.



**Good Health and Well-Being**

- NTR's primary contribution to societal good health and well-being is in 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.



**Quality Education**

- NTR provides continuous learning supports.





### Gender Equality

- NTR aims for a balanced gender split in all levels of its organisation.
- NTR does not distinguish remuneration by gender.



### Decent Work and Economic Growth

- 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 engages with its Tier 1 suppliers to ensure they are not participating in any activities that are contrary to acceptable work practices.



### Industry, Innovation and Infrastructure

- As a developer and operator of renewable energy at a competitive price, NTR's strategy is at the heart 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.



### Reduced Inequalities

- NTR offers good quality incomes ensuring that all its employees have a good standard of living.
- NTR offers equal opportunity to its employees regardless of gender, race, religion or ethnicity.
- NTR promotes the internationalisation of its workforce.
- NTR seeks confirmation of similar values in its Tier 1 supply chain providers.



### Responsible Consumption and Production

- 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.



### Life Below Water

- NTR supports this goal through the careful management of rivers and waterways located close to its renewable energy generation sites. Where applicable, it does this primarily using independent hydrologists, ecologists and environmentalists who monitor and report the water's condition throughout a project's lifecycle.



### Life on Land

- NTR supports this goal 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.

**WE SUPPORT**

## 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.







# 10

## NTR Integrates ESG

The consideration of ESG topics as well as sustainability risks are embedded in our beliefs, business practices and portfolio management. They are actively built into investment decisions, asset management activities, relations with our suppliers and caring for our people.

## Investment Approach

**Responsible investing is core to our approach. Sustainability considerations are actively integrated into the investment decision making process. NTR has put in place a screening checklist (Appendix A) which is applied when evaluating each acquisition.**

**Negative Screening:** To attain NTR's ESG objective of being an investor in sustainable infrastructure and having a positive influence on the sector in which it operates, 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. Exclusions include companies involved in the production of alcohol, tobacco or gambling products, weapons manufacturers, or companies that use child labour. NTR encourages all its Tier 1 suppliers to adopt the UN Global Compact principles or equivalent. NTR expects all its Tier 1 supply chain to sign up to its supplier code of conduct.

**Positive Screening:** NTR typically invests in companies created to hold renewable energy assets. NTR prioritizes investment in countries with sound renewable energy policies underpinned by legislation that protects social and environmental rights. By its nature of being solely focussed on low carbon renewable energy projects and doing so in a fiscally and socially responsible manner, NTR's offers a sustainable, environmentally and socially friendly investment product.

**ESG Integration:** 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.

NTR employs leading financial consultants to support it in carrying out financial and taxation due diligence on any potential acquisitions. All projects must meet minimum financial returns hurdles when relevant ESG factors are factored into the investment. NTR seeks to achieve sustainable financial returns while doing so in an environmentally and socially responsible way. NTR monitors financial and ESG metrics on its activities.

**ESG Integration (continued):** By the nature of its business of developing and operating renewable energy projects NTR is at the heart of the low carbon initiative. Operating within a European geography, NTR complies with all relevant European and OECD environmental, social and governance legislation.

NTR operates a respectful and collegial culture offering good employment practices and operating a zero-tolerance health and safety regime. NTR actively engages and supports its employees and the communities in which it operates. NTR proactively builds relationships with the community offering community support schemes and addressing any concerns due to its projects.

**Active Ownership and Engagement:** NTR's strategy is to acquire development, ready to build and operational renewable energy projects using proven technologies. NTR typically acquires 100% shareholding of a project. NTR typically retains a controlling interest in its investments, enabling it to actively ensure that ESG standards are adhered to. NTR provides quarterly & 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.

**Thematic Investments:** NTR's investment theme is currently focussed on low carbon renewable energy and can be viewed as a themed investment in that all investments are specifically into low carbon renewable energy projects.

**Impact investment:** NTR's investment all generate a measurable environmental and/or social impact alongside financial returns. All investments measure the amount of low carbon MWhrs produced, the amount of homes powered by clean energy, CO<sub>2</sub> offset and investment in local communities through community benefit schemes. All projects must meet minimum financial returns hurdles.

**Sustainability Risk:** NTR's investment screening checklist aims to identify and evaluate any sustainability risk of an investment across the three areas of Environment, Social and Governance. This must be completed and form part of the investment paper for decision making by the relevant funds investment committee. 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.

## **ESG in Asset Management**

**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 40 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 is unique, but there are common features relevant to the investments that require consideration, decision making and monitoring throughout their lifecycle.**



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

# Environmental

Factor	Construction Stage	Operations (Asset Mgmf.) and Decommissioning Stages	Reporting
<b>Carbon Emissions &amp; Climate Change Mitigation</b>	NTR aims to manage the climate impact of its construction through engineering design and supply chain management.	NTR operates low carbon energy projects.	NTR measures the MWhr produced, CO <sub>2</sub> equivalent displaced and equivalent houses powered by its renewable energy investments.
<b>Energy Usage</b>	NTR seeks methods of minimising input of auxiliary power prior to commissioning.	NTR is a net producer rather than consumer of power.	
<b>Water Usage</b>		NTR works with its contractors to minimise its water consumption across each project.  Where appropriate, NTR incorporates rain harvesting capabilities into its projects.	
<b>Environmental Compliance</b>	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.		
<b>Waste Management</b>	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.		

Factor	Construction Stage	Operations (Asset Mgmt.) and Decommissioning Stages	Reporting
<b>Planning</b>	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
<b>Hydrology</b>	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).		<p>NTR would report any water contamination breaches to the relevant statutory agencies.</p> <p>Material breaches of hydrology requirements are reported in the Fund quarterly reports to investors</p>
<b>Ecology</b>	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 Fund quarterly reports to investors.</p>

Factor	Construction Stage	Operations (Asset Mgmf.) and Decommissioning Stages	Reporting
<p><b>Archaeology</b></p>	<p>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>		<p>Archaeological findings are reported to the relevant statutory authority.</p> <p>Material archaeological findings are reported in the Fund quarterly reports to investors.</p>
<p><b>Ground Conditions (Geology)</b></p>	<p>Where appropriate, working with Geotech specialists NTR designs its developments and construction plans to address the prevailing ground conditions of any development.</p>	<p>Ground conditions are monitored during, for example, heavy climatic events.</p>	
<p><b>Nuisance Factors: Noise, Flicker, Glint &amp; Glare</b></p>	<p>As appropriate, NTR carries out baseline noise, flicker, glint and glare assessments on projects prior to construction.</p> <p>NTR designs in appropriate nuisance reduction capabilities into its developments as required in the construction stage.</p>	<p>As appropriate, NTR carries out baseline noise, flicker, glint and glare assessments on during the operational of its projects.</p> <p>NTR installs appropriate nuisance reduction capabilities into its developments as required in the operation of its projects.</p>	<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	Construction Stage	Operations (Asset Mgmt.) and Decommissioning Stages	Reporting
<p><b>Landscaping &amp; Biodiversity</b></p>	<p>NTR implements landscaping and biodiversity plans to meet or exceed the minimum standards required of the local planning authorities.</p>	<p>NTR’s asset management team ensure the agreed landscape and biodiversity plans of the lands in their control are maintained throughout the project life.</p> <p>On decommissioning, NTR will restore a project’s lands to conditions agreed with the local planning authority or best practice.</p> <p>Where required by local authorities or landowners, NTR will put a decommissioning bond in place.</p>	<p>NTR reports to the local authority on the status of agreed landscape and biodiversity plans when requested.</p> <p>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.</p>
<p><b>Materials Selection &amp; Carbon Footprint of Supply Chain</b></p>	<p>As part of ESG, NTR requests each Tier 1 supplier to indicate the % of locally sourced materials in its supply.</p>	<p>As part of ESG, NTR requests each Tier 1 supplier to indicate the % of locally sourced materials in its supply.</p>	

# Social

Factor	Construction Stage	Operation (Asset Mgmt.) Stage Incl. Decommissioning	Reporting
<b>Health &amp; Safety</b>	<p>NTR operates a proactive health and safety regime with zero tolerance for unsafe practices.</p> <p>NTR monitors key H&amp;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 construction sites.</p>		<p>NTR reports safety statistics (good catches, near misses, incidents and accidents) at its internal monthly business review and reports on health &amp; safety in quarterly reports to the management company board and fund investors.</p>
<b>Community Response to Projects</b>	<p>NTR monitors community complaints by project and overall including disruption during construction, noise and flicker and works with the complainants to address the problems.</p>		<p>NTR records the valid verified complaints received together with the associated corrective actions.</p>
<b>Community Engagement &amp; Investment</b>	<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>		<p>NTR records the cumulative value of its community benefits annually to each investment fund.</p>
<b>Community Employment</b>	<p>NTR encourages its contractors to employ workers local to a project where practical.</p>		<p>NTR records the local employment hours per project.</p>

Factor	Construction Stage	Operation (Asset Mgmt.) Stage Incl. Decommissioning	Reporting
<b>Diversity</b>	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 reports annually on ethnicity and gender data.
<b>Employee Relations, Remuneration &amp; Collective Bargaining</b>	<p>NTR provides regular employee forums, updates and staff surveys to ensure employees are actively engaged in the business strategy and that their concerns are listened to.</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>		Staff survey results are shared with staff and reported to the board annually.
<b>Human Rights</b>	The company respects the human rights of all its stakeholders.		
<b>Political Donations</b>	NTR has a policy of zero political donations.		The level of political donations is reported annually in each fund's annual financial statement.

# Governance

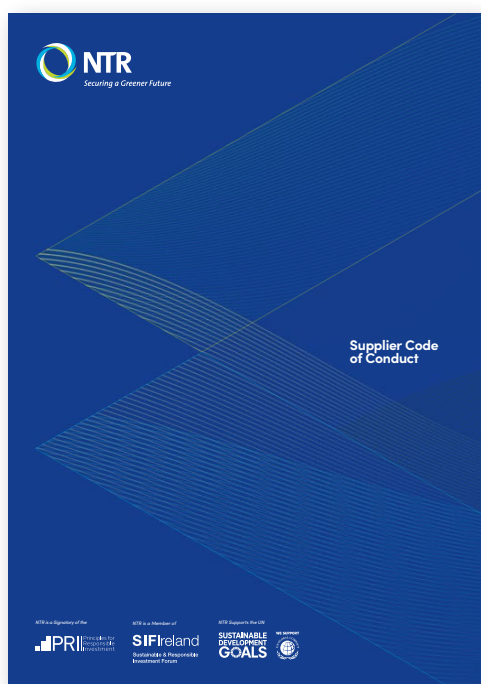
Factor	Comment	Reporting
<p><b>NTR plc Board and Committee Governance and Structures</b></p>	<p>The NTR plc board of directors comprises individuals with a mix of ability and experience across the areas of strategy, finance, market and technical, with appropriate levels of independent non-executive membership.</p> <p>The CEO and Chairman offices in NTR plc are not held by the same individual.</p> <p>NTR plc has a separate Remuneration Committee, Nominations Committee and Audit &amp; Risk Committee.</p> <p>NTR maintains a risk appetite statement which is reviewed annually. NTR also maintains a risk register which is reviewed by the Audit and Risk 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 &amp; Risk 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>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
<p><b>NTR Fund Boards and Committee Governance and Structures</b></p>	<p>The board of directors of NTR’s funds 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>
<p><b>NTR ESG Incentivisation Policy</b></p>	<p>Each employee’s contribution to ESG is measured and bonuses are awarded accordingly.</p>	

## Responsible Sourcing

**Sustainable practices are embedded in NTR company values. NTR conducts business responsibly and in compliance with the legal requirements and regulations of the countries in which we operate, and our suppliers must do the same. Our suppliers play a critical role in ensuring sustainable business practices in the NTR value chain and we expect them to uphold the highest standards of business ethics, human rights, health and safety, environmental protection, and responsible sourcing. NTR expects them to demonstrate their commitment towards the standards and principles as summarised in the supplier Code of Conduct. NTR assess the risk profile of the goods or services provided to NTR and accordingly, layers controls and mitigation measures appropriate to the level of risk. The supplier Code of Practice is a key element of these mitigation measures.**



The supplier Code of Conduct is based to a great extent on the ten principles of the UN Global Compact relating to human rights, labour standards, environmental protection and anti-corruption initiatives. These principles are based on international conventions and standards such as the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights and the International Labour Organisation's (ILO) Fundamental Principles and Rights at Work.

The supplier Code of Conduct is an integral agreement between NTR and the supplier.

## ESG and Our People

**NTR ensures that all its staff members are familiar with the ESG policy as all are required to read the policy. ESG training is also made available to all staff. This can take the format of external training, in-house workshops, lunch and learns or web-based training. NTR has appointed an ESG team within the organisation tasked with integrating ESG into all aspects of the company's activities.**

# 24 NTR Policy Framework

**NTR has an internal framework of policies and procedures which guide all employees on the appropriate approach and behaviours while conducting business on NTRs behalf. The following table lists some of these key policies and indicates their relevance to ESG. All are located on the NTR sharepoint site.**

Document	Environmental	Social	Governance
1. NTR Safety Statement		●	●
2. NTR Health and Safety Policy		●	●
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. Site specific environmental policies	●		●
7. Site specific Environmental Impact Assessments	●		
8. NTR Employee Handbook which incorporates a. Dignity and Respect at Work, b. Speak up policy, c. Conflict of interest policy		●	●
9. Anticorruption policy		●	●
10. General Data Protection Regulations (GDPR) policy (Privacy Policy)		●	●
11. Investment screening guidelines - (Part of ESG Policy)			●
12. Purchase to Pay Policy			●
13. NTR Fund Operations Manuals	●	●	●
14. NTR plc Board Committees Terms of Reference			●
15. NTR plc Risk Appetite Statement			●
16. Political Lobbying Policy			●
17. Supplier Code of Conduct	●	●	●







# 26 Appendix A: NTR Investment Screening Checklist

## NTR Fund 3 ESG Screening Checklist

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

Project Name	Date	Summary outcome of screening assessment

Question	Yes	No
Is the target asset in the Energy Sector?		
Confirm that any of the contractual parties are not on the LGIM Future World Protection list?		

### Substantial Contribution to Climate Mitigation

To comply with SFDR under the Fund, there must be an "yes" answer to at least one of the following:

Question	Yes	No
Will the asset generate electricity using solar PV technology?		
Will the asset generate electricity using wind power?		
Will the asset comprise of the construction and operation of electricity storage?		

No.	ESG Factor	0-5	Comment (including mitigation)
1	Is there evidence of extensive hazardous waste being produced during construction, operations or end of life?		
2	Does the project involve significant degradation of critical habitats that cannot be mitigated?		
3	Does the project have a material impact on a critically endangered species that cannot be mitigated?		
4	Does the project have a material impact on significant archaeological artefacts?		
5	Does the project have a material adverse effect on the economic well-being of the immediate community in which it will be located?		

No.	ESG Factor	0-5	Comment (including mitigation)
6	Does the project have a material adverse effect of the health of the immediate community in which it will be located?		
7	Does the project have a material adverse effect on the safety of the immediate community in which it will be located?		
8	In achieving its planning, does the project or has the project inadequately engaged with those materially affected?		
9	Are there material risks of forced labour or child labour being used in the construction or operation of the project?		
10	Are there material risks of forced labour or child labour being used in the supply chain?		
11	Does the project involve supply chain companies that are: <ul style="list-style-type: none"> <li>involved in the manufacture of landmines?</li> <li>involved in the manufacture of cluster bombs?</li> <li>involved in the manufacture of chemical weapons?</li> <li>involved in the manufacture of biological weapons?</li> <li>involved in the manufacture of nuclear weapons made in violation of the Nuclear Non-Proliferation Treaty</li> </ul>		
12	Does the project involve supply chain companies (suppliers of TSA, BOP, Grid connection, EPC) that are: <ul style="list-style-type: none"> <li>- Generating more than 20% of revenue from mining and extraction of thermal coal, thermal coal power generation or oil sands</li> </ul>		
13	Does the project involve supply chain companies (TSA, BOP, Grid, EPC and project management) that are: <ul style="list-style-type: none"> <li>Does the project involve supply chain companies (TSA, BOP, Grid, EPC and project management) that are:</li> </ul>		
14	Is the project tax compliant?		
15	Are there reasons to be concerned about the vendor and its previous actions <ul style="list-style-type: none"> <li>From a bribery point of view?</li> <li>From an anti-money laundering perspective?</li> </ul>		



No.	ESG Factor	0-5	Comment (including mitigation)
16	Are there increasing climate related mandates on the regulation of asset?		
17	Is the asset exposed to litigation?		
18	Is the asset exposed to alteration/elimination of a climate change revenue support scheme(s)?		
19	Is the invested asset vulnerable to being exposed to a product/technology substitution during the life of the asset?		
20	Is the asset using a new/unproven technology?		
21	Is the asset vulnerable to increased costs of raw materials over the life of the project?		
22	Is the project vulnerable to abrupt and unexpected energy input costs?		
23	Is the asset vulnerable to acute physical climate change risks e.g. flood risk, rising sea-level, storm events (lightning, hailstorms, high winds), extreme temperature conditions?		
24	Is the asset vulnerable to chronic physical climate change risks e.g. rising mean temperatures, rising sea levels, changing precipitation or weather patterns?		
25	Is the asset vulnerable to write-off/early retirement of the asset?		
26	Is the asset vulnerable to increased operating costs associate with climate change?		
27	Is the asset vulnerable to increasing climate related insurance costs over time?		
28	Is the asset vulnerable to climate related supply chain interruptions?		
29	Have the climate related risks been identified by performing a robust climate risk and vulnerability assessment which are proportionate to the scale of the activity and its expected life span (at min 10-30yr projections) and taking into account the state of the art science for vulnerability and risk analysis? See also Qu 22. & 23		

No.	ESG Factor	0-5	Comment (including mitigation)
30	Existing Assets: Have the material physical climate risk mitigating factors (adaptation solutions) been identified and costed into the investment and can be implemented within 5yrs ?		
31	New build assets: Have the material physical climate risk mitigating factors (adaptation solutions) identified at the time of design and construction been costed into the investment up to a 5yr period ?		
32	Has it been confirmed that any mitigation measures (adaptation solutions) do not adversely impact the physical climate risk profile of other people, economic activities or nature ?		
33	Has it been confirmed that any physical climate risk mitigation measures (adaption solutions) are in keeping with local, sectoral, regional or national strategies and plans ?  Such solutions should consider the use of nature based solutions or blue / green infrastructure as much as possible.		
34	Are there operating life or end of life waste management and recycling plans associated with the asset?		
35	Have lower carbon materials and options (e.g. local sourcing) been explored for material items (e.g. turbines, foundations, modules) to reduce exposure to embodied carbon risks ?		
36	Does the project have a material adverse impact on the water levels in the locality?		
37	What is the risk that there is no opportunity to further enhance production capacity through operational optimisation?		

Please select the appropriate DNSH criteria suitable for the asset technology

Wind Projects Only:  
Do No Significant Harm

Solar Projects Only:  
Do No Significant Harm

Storage Projects Only:  
Do No Significant Harm

# 30 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 MWhr			●		●	●	●	●	●	●	●	●	●
	CO <sub>2</sub> Emissions (Tonnes CO <sub>2</sub> ) <sup>1</sup>			●		●	●	●	●	●	●	●	●	●
	CO <sub>2</sub> Emissions Displaced (Tonnes CO <sub>2</sub> ) <sup>2</sup>			●		●	●	●	●	●	●	●	●	●
	Equivalent Number of Houses Powered by Renewable Energy			●		●	●	●	●	●	●	●	●	●
	Site Environmental Inspections	●	●	●	●			●			●			

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		●	●				●	●	●	●	●	●	●
	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
	Employee Diversity: Gender Balance									●				●
	Employee Diversity: Ethnicity									●				●
	Employee Diversity: Age									●				●
	Employee: Continuous Professional Development (Hours)									●				●

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 <sup>3</sup>									●				●
	% of Tier 1 suppliers signed up to NTR ESG Code of Conduct or UN GC Principles									●				●
	# ESG Engagements with Funders									●				●

- Notes:**
1. As NTR funds focus solely on renewable energy they have zero CO<sub>2</sub> emissions..
  2. NTR measures the amount of CO<sub>2</sub> displaced or avoided in replacing fossil fuel generated energy with renewable energy. It uses Government published fuel mix disclosures for this calculation.
  3. NTR has a policy of separate Chairperson and CEO.











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