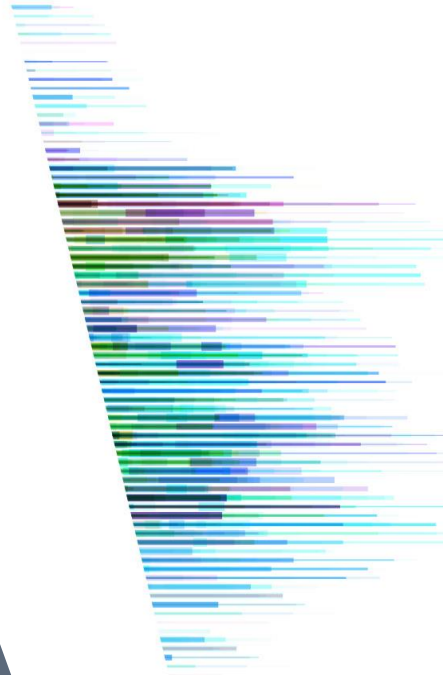


2020

Sustainability Report



The Power Of Certainty™



Pioneering Green Underwriting



Tom Dickson
CEO



Sherry Huang
Chief Actuary

Sustainability is at New Energy Risk's core. Our business model delivers performance insurance solutions to a wide range of energy technologies and related infrastructure projects and technologies that have a major impact on our world, from reducing emissions, to creating more sustainable fuels, to finding new uses for municipal and industrial wastes, to new models for low-carbon transportation. We help drive these technologies to scale and foster greater customer adoption to accelerate a more sustainable society.

We focus on markets where the projected growth in capital investment is at historic levels. This investment capital is coming from the private sector: the largest institutional and fund investors, venture capital, growth capital investors, public market investors, and yes, insurance companies. And it is also coming from the public sector, driven by new legislation and carbon-free mandates across many states, countries, and international organizations.

Many insurers have publicly committed to targets aligned with the Paris Agreement and to collectively investing many tens of billions of dollars in renewable energy over the coming years. We support this proactive step to advance sustainable innovations and technologies and are proud to be a part of the insurance industry as it evolves with our changing world.

On the underwriting side of things, sustainability-focused insurers have generally described what they will *not* do: by limiting or withdrawing underwriting capacity from activities that contribute excessively to greenhouse gas emissions, like coal. However, insurance is inherently set up to lead in sustainability by deciding what we *will* do. As an industry, we need to send a clearer message about our unique core competences: risk assessment, risk selection, and the permanent capital to hold and manage these illiquid risks. Insurers can take advantage of these core competencies to expand and promote underwriting capacity for activities that contribute to the reduction of emissions. Reversing the script will allow the insurance industry to embrace its potential for leading sustainability efforts.

Pioneering Green Underwriting, Continued

New Energy Risk has pioneered Green Underwriting—a more forward-leaning approach to sustainability in the insurance industry. We use our core competence, domain expertise, and proprietary processes to develop innovative, high-value, data-driven insurance solutions; by helping to deliver insurance risk capital, we support new technologies and business models to advance their sustainability impact.

Furthermore, the risks we evaluate generally lack correlation with existing insurance risk portfolios. We are proud to have gained a strong following across the insurance and reinsurance markets because what we do is unique and helps address global challenges. The support of our partners, and their confidence in us, has driven our mutual success.

In 2020, our clients continued to expand their sustainability impacts, both real and projected, and we are proud to share with you their aggregate results.

ESG at NER

Our mission has always been to accelerate the adoption of impactful technologies that solve global challenges. This is why we are excited about work every day. Our business model enables us to turn risks into opportunities, and we are proud to improve the environment and social outcomes through our unique insurance solutions.

NER's proactive Green Underwriting reflects the principles guiding our business decisions. When we evaluate new opportunities, we screen for environmental and social impacts, as well as governance concerns (ESG). Internally, our framework emphasizes transparency and trust, which extends to our clients and partners.

We are attentive to issues of environmental and social justice, and care deeply about diversity, equity, and inclusion—both within our own team as well as for our clients, industry, and society. There is ample evidence that the impact of climate change and other injustices are felt disproportionately among communities with fewer resources to respond, adapt, and recover. Knowing this, we resolve to be stubbornly optimistic that our voice and actions can make a difference.

One can observe ESG commitments at NER in the clients we work with, the way we hire, the donations we make, and through our corporate communications. We strive to listen, learn, and improve our actions and outcomes each year, hopefully inspiring others along the way.

Thank you for joining us on this journey.



New Energy Risk Business

- Proprietary technoeconomic risk-evaluation of new technologies
- Insurance solutions promote investor confidence and customer adoption
- Policies issued globally by one of the affiliate companies of AXA XL
- Covers commissioning, operations, or warranty backstops for 15+ years
- \$5M-\$200M+ insurance capacity per project
- We have helped our clients unlock \$2.3B in capital supported by \$1B+ of insurance capacity

Applicable Across Diverse Sectors

Renewable Energy



Fuel Cells



Energy Storage



Energy Efficiency



Waste to Energy



Biofuels & Chemicals



Water Treatment



Indoor Farming



Industrial Processes



Carbon Capture



Biomass Processing



Anaerobic Digesters



Petro-chemicals



Nuclear



Power Generation



Grid



Special Situations



Representative Client Impact

Waste Processing

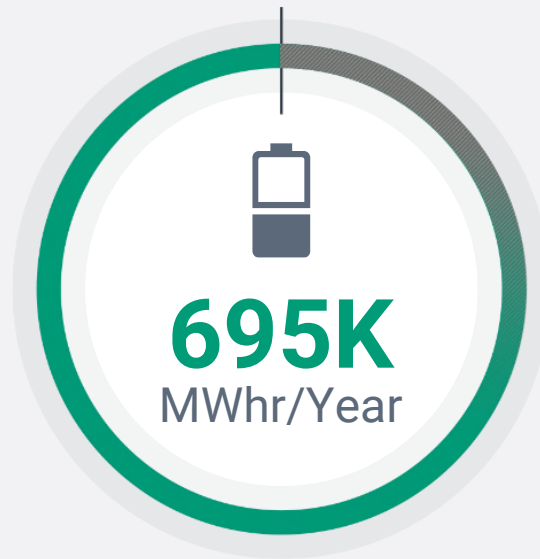


The amount of trash produced per year by **545,565 US residents**

Reducing landfills and building a circular economy, NER clients convert trash including household waste, nonrecycled plastic, and woody biomass into valuable products like transportation fuels and specialty waxes. The companies have projected processing 449,000 tons of waste per year once they are fully operational.

Representative Client Impact

Clean Energy Generated



The amount of energy used per year by **63,343 US homes**

Reducing dependence on aging centralized power grids, NER clients provide customers with more reliable and resilient energy that's better for the environment. While most of these impacts are already being realized with fuel cells that are installed and running, the companies have projected generating 695,000 MWhr of energy per year once they are fully operational.

Representative Client Impact

Alternative Fuel Produced



The amount of fuel used per year by **88,809 US drivers**

Reducing transportation's dependence on petroleum, NER clients provide customers with better fuels by circulating waste back into the value chain as a solution for overflowing local landfills, reducing long-term greenhouse gas emissions. The companies have projected producing 50,000,000 gallons of alternative fuel per year once they are fully operational.

Representative Client Impact

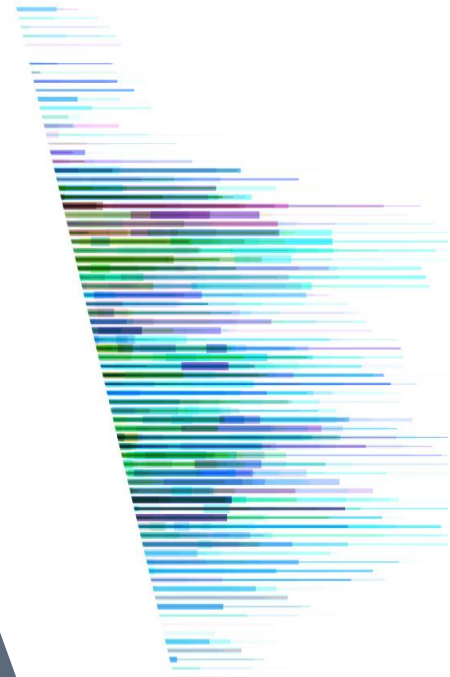
CO₂e Avoided



The amount from flying roundtrip, NYC to SF, by **491,665 passengers**

Preventing harmful greenhouse gas emissions, NER clients are transitioning society to greater sustainability through a variety of practices, which displace carbon dioxide and its equivalents to slow down our worsening climate crisis. The companies have projected an avoidance of 320,000 tons of CO₂e per year once they are fully operational.

Insurance policies are administered through New Energy Risk affiliate
Complex Risk and Insurance Associates, LLC | CA License #0124307



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