

Human Rights

Bluefield Solar Income Fund (BSIF)

For professional investors only





Introduction

BSIF is committed to identifying, preventing and mitigating adverse human and labour rights impacts across its operations and, where possible, its supply chain.

Whilst BSIF recognises that its supply chains are complex and full transparency has not yet been achieved, it will continue to monitor its processes in relation to human and labour rights, committing to make improvements as the approach to conducting due diligence evolves. BSIF produces a Modern Slavery Statement annually, available on its website [[hyperlink](#)].

BSIF's approach to human and labour rights risk

BSIF recognises the potential human rights risks associated with its operations and supply chain. As a result, supply chain risk is captured as a principal and emerging risk within BSIF's risk management framework, as considered by the Audit and Risk Committee, and is a key area of focus within BSIF' ESG strategy.

Identifying key stakeholder groups

BSIF recognises that human rights risk will present differently in different areas of its operations and supply chain. As part of a broader human rights due diligence review conducted in 2024, a high-level human rights risk assessment was performed to identify key stakeholder groups. These included:

- Upstream supply chain workers
- On-site workers (O&M and construction)
- Bluefield Group employees (due to the close working nature of BSIF and Bluefield)
- Local communities

Human rights risks for each stakeholder group were identified, including the potential severity and likelihood of the risk occurring. It should be noted that this assessment was high-level and reflected a snapshot of the most salient risks at the time. It is intended to inform BSIF's overarching approach to human rights due diligence, including where diligence efforts should be focused, and where improvements to current processes can be made.

Due diligence for high-risk suppliers

BSIF carries out enhanced due diligence on key service providers, including O&M contractors, Engineering, Procurement & Construction (EPC) contractors and manufacturers (though BSIF does not yet engage in direct procurement, additional diligence is undertaken with support from EPC partners). ESG due diligence is integrated into EPC tenders, and diligence is undertaken on O&M service providers as part of transactions, with human rights considerations embedded within pre-investment due diligence questionnaires. Third-party consultants may also support with ESG due diligence where appropriate, for example an external ESG risk analysis was undertaken on a range of solar PV and battery storage system manufacturers.

Supplier risk analysis

BSIF undertakes an environmental and social risk analysis of its suppliers annually, focusing on the top 20 suppliers following a spend-based approach. Suppliers are evaluated via a desktop assessment against environmental and social considerations at the sector level, and further refined based on country-specific indices for environmental and social impacts, using tools such as the Environmental Performance Index and Global Slavery Index. This exercise helps with the identification of upstream risk and improvement opportunities.



Policy adoption

BSIF has adopted several policies that set out clear standards and expectations in relation to human and labour rights and the prevention of modern slavery across its operations and supply chains. BSIF aims to review these policies on an annual basis, updating them when deemed necessary.

Policies include:

- **Human Rights Policy:** BSIF's Human Rights Policy sets forth its commitment to respect human rights, protect human dignity and promote equality for all. The policy is guided by international frameworks including the United Nations Declaration on Human Rights, the UN Guiding Principles of Business and Human Rights (UNGP), the UN Global Compact (UNGC), and the International Labour Organisation Declaration on k. Fundamental Principles and Rights at work.
- **Supplier Code of Conduct:** BSIF's Supplier Code of Conduct sets out the values and principles BSIF expects its suppliers to follow as a minimum requirement and was developed in line with global frameworks, including the UNGP, UNGC, and the OECD Guidelines. The main principles within the Supplier Code of Conduct are as follows:
 - For suppliers to comply with all relevant national laws and legal regulations.
 - For suppliers to adopt a responsible and ethical approach to business.
 - For suppliers to uphold and protect labour & human rights in their business and supply chains.
 - For suppliers to ensure, as far as is reasonably practicable, that no Modern Slavery is occurring in their business and supply chains.
 - For suppliers to manage and reduce environmental impacts in their business and supply chains.
 - For suppliers to identify and manage risks in their own supply chains.
- **Sustainable Procurement Policy:** BSIF's Sustainable Procurement Policy sets out the values and principles it expects its suppliers to apply in procurement by, or on behalf of, BSIF. The policy is aligned to international frameworks such as the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles.
- **Whistleblowing Policy:** BSIF's Whistleblowing Policy sets out the process for reporting malpractice in connection with BSIF or its the Investment Adviser. The policy provides a channel through which instances of malpractice, including those relating to modern slavery and other human rights violations, can be communicated, recorded and remediated accordingly.

Adherence to these policies, namely the Supplier Code of Conduct, Human Rights Policy and Sustainable Procurement Policy, has been embedded into new contractual arrangements with EPC, O&M and asset management service providers. There is continued roll-out of the Supplier Code of Conduct, with a spend-based approach taken to identify priority suppliers to engage with. A webinar was held in June 2024 to offer suppliers the opportunity to learn more about the Code and how it applies.

Looking forward

BSIF will continue to monitor its processes in relation to human and labour rights, committing to make improvements as the approach to conducting due diligence evolves. The human rights due diligence review undertaken in 2024 led to recommendations tailored to the asset lifecycle, and identified actions to be taken, where needed, at each lifecycle* stage (e.g. development, construction and ongoing operation). This will be used by BSIF to review and update its human rights due diligence processes, where appropriate, across the portfolio.

BSIF will also seek to remain abreast of applicable industry standards and initiatives, as well as emerging frameworks and regulations. Through its ESG strategy, commitments and KPIs, BSIF aims to review its processes over time, improving its approach to the mapping, analysis, and engagement of its supply chains.

*'Asset lifecycle', in the context of BSIF, refers to the development, investment, and operational stages of the asset lifecycle. It does not include the manufacturing or end-of-life processing of materials.





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