



bluefield

Sustainable Development Goals

Bluefield Solar Income Fund (BSIF)



For professional investors only



Background

The Sustainable Development Goals (SDGs) were established following the United Nations meeting held in 2015 and serve as the successors to the Millennium Development Goals (MDGs), building on their achievements and addressing their shortcomings. The SDGs form part of the 2030 Agenda for Sustainable Development, encompassing 17 goals and 169 targets, covering topics such as poverty, inequality, climate action and nature¹. These goals apply to nations in guiding policy and development priorities, while also serving as a framework for companies to align their operations with more sustainable practices. The Principles for Responsible Investment (PRI) emphasises how the SDGs can form the foundation of responsible investment practice, from improving long-term financial performance, to strengthening risk frameworks².

Strategy and focus

The SDGs are one of the foundational frameworks which underpin BSIF's ESG strategy, informing the creation of its three pillars: climate change mitigation, pioneering positive local impact, and generating energy responsibly. SDGs most material to BSIF's operations have been mapped against each ESG pillar. In total, eight goals have been identified to be material, with goal 7 'Affordable and Clean Energy' and goal 13, 'Climate Action' being where BSIF makes the largest and most notable contributions, given the nature of its investments.

BSIF's contributions

Whilst BSIF endeavours to make a positive contribution towards the SDGs, achieving these goals, and the targets therein, will require wider support from governments, policy makers, communities, corporates and other market participants³. To highlight BSIF's contribution, KPIs (which form part of BSIF's overarching ESG framework) have been mapped against material SDGs and targets.

BSIF's contributions, relating to it for its wholly owned assets*, during the FY 23-24 are shown in the table opposite.

*Refers to operational and construction assets.



Target(s):

7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

KPI's and Contributions (as at 30th June 2024):

- Renewable energy generated (MWh) – 810,602 MWh
 - Amount of installed renewable energy capacity (MW) – 812 MW
 - Additional solar infrastructure under construction (MW) – 93 MW
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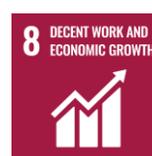
Target(s):

8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

KPI's and Contributions (as at 30th June 2024):

- Assets with a Human Rights Policy (%) – 100%
 - Assets with a due diligence process to identify, prevent, mitigate, and address adverse human rights impacts (%) – 100%
-



Target(s):

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

KPI's and Contributions (as at 30th June 2024):

- Amount of installed renewable energy capacity (MW) – 812 MW
 - Additional solar infrastructure under construction (MW) – 93 MW
-



Target(s):

11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

KPI's and Contributions (as at 30th June 2024):

- Assets that are located in or near to biodiversity-sensitive areas (%) – 27%
- Assets that negatively affect biodiversity-sensitive areas (%) – 0% (please refer to BSIF's PAI statement)
- Assets which are deemed to have operations that affect threatened species (%) - 0% (please refer to BSIF's PAI statement)



Target(s):

12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.



KPI's and Contributions (as at 30th June 2024):

- Tonnes of hazardous waste and radioactive waste generated by assets per million EUR invested, expressed as a weighted average – Please refer to the BSIF's PAI statement
 - Assets with a Waste Management Policy (%) – 100%
-

Target(s):

13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



KPI's and Contributions (as at 30th June 2024):

- Number of educational workshops/site visits - 29, including 13 school workshops and 16 site visits (between Sep 23 – July 24)
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Target(s):

15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.



KPI's and Contributions (as at 30th June 2024):

- New solar developments with at least 20% biodiversity net gain achieved (%) – 67%
 - Existing sites with biodiversity net gain assessment (#) - 45
 - Notable species identified on site (e.g., red and amber listed species) (#) - Red listed bird species: 15. Amber listed bird species: 17
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Target(s):

17.14: Enhance policy coherence for sustainable development.

17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.



KPI's and Contributions (as at 30th June 2024):

- Revenue paid to community benefit schemes (£) - >£296,000
- Revenue given to partnerships benefiting the local community (£) - £28,000
- Revenue targeting industry collaboration (£) - £25,000

Collaborative action

BSIF encourages its Investment Adviser to engage with senior political leaders and their respective staff both directly in face-to-face meetings and indirectly via membership of industry representative bodies such as the Solar Industry Association.

As a result of this process, the Investment Adviser has been invited to attend high-level government briefings to industry members which have assisted BSIF in its strategic planning.

With the change of UK Government in July 2024, and the formation of the Department of Energy Security and Net Zero, BSIF and its Investment Adviser looks forward to re-engaging with the new government and backbench figures to continue these efforts through meetings, attendance at relevant events, and participating in formal Select Committee inquiries and consultations, as appropriate.

The Investment Adviser engages with trade industry bodies to inform and contribute to best practice, stay abreast of market developments, and support the UK's energy transition towards net zero.

Bluefield employees are active participants in trade body working groups. For example, the Head of ESG for the Investment Adviser contributes to the Solar Energy UK Natural Capital Steering Group, and representatives of Bluefield Operations Limited are part of the Solar Energy UK Skills & Workforce steering group.



Adverse impacts

BSIF strives to make positive contributions towards the SDGs. However, it recognises the potential negative impacts its operations can have on social and environmental factors. Potential adverse impacts⁴, and how BSIF is mitigating against these, is presented below:

Topic: Food security

Potential Adverse Impact: Solar PV systems, especially ground-mounted installations, are dependent on land availability. This can lead to tensions regarding land use, with concerns that solar farms compete with agricultural land, thereby leading to reduced food availability.

Mitigating Actions: Solar farms currently occupy only 0.3% of the UK's total land area⁵.

Moreover, the UK's latest Climate Risk Independent Assessment (CCRA3) highlighted that climate change already poses a risk to UK food production, and this risk will grow substantially over the next 30 to 60 years. Renewable infrastructure, through its contribution to climate change mitigation, may in turn help reduce future losses to productive farmland⁶. Additionally, solar installations offer farmers an opportunity for economic diversification without significantly impacting the UK's food security⁷. During the financial year, conservation grazing using farmers livestock was introduced to two of BSIF's solar assets, to better manage the land for wildlife.



Topic: Water usage

Potential Adverse Impact: Water usage and availability risks associated with solar PV technology primarily relate to the manufacturing stages of the supply chain. Once operational, water is required for cleaning solar panels, particularly in arid and dusty regions, to maintain their efficiency.

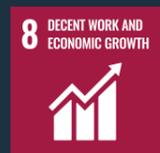
Mitigating Actions: BSIFs assets utilise a small quantity of water (mains or deionised water) annually, which is brought to sites for PV washdown purposes by contractors.



Topic: Human and Labour Rights

Potential Adverse Impact: Solar PV supply chains have been linked to potential human and labour rights risks. The most prominent concerns are those relating to the use of forced labour in the polysilicon value chain, including quartz mining.

Mitigating Actions: Human rights considerations are embedded within pre-investment due diligence and comprehensive ESG due diligence is undertaken on key external third parties such as EPCs or O&M service providers as part of transactions. In June 2023, BSIF adopted a Human Rights Policy aligned to international standards and guidelines, notably the United Nations Guiding Principles on Business and Human Rights



Adverse impacts (continued)

BSIF strives to make positive contributions towards the SDGs. However, it recognises the potential negative impacts its operations can have on social and environmental factors. Potential adverse impacts, and how BSIF is mitigating against these, is presented below:

Topic: Waste management, Circularity, and Critical Minerals

Potential Adverse Impact: As the first generation of solar and wind farms approach the end of their economic lifetimes, responsible decommissioning of sites and equipment is becoming a key sustainability topic. However, recycling of solar panels remains challenging due, in part, to current panel breakdown and material recovery costing more than extracting the virgin materials⁸.

Mitigating Actions: BSIF has partnered with Lancaster University to launch a research programme focused on end-of-life decision-making for renewable assets. The first stage of the programme, completed in September 2024, was a project focused upon the development of a 'materials passport' for a new build solar farm. The aim of the project was to map the constituent equipment and components needed to build a solar farm to enable insight into opportunities to enhance the recyclability, recycled content, and recovery of materials.



Topic: Ecosystem Interactions and Land Use

Potential Adverse Impact: The UK has been assessed as one of the most nature-depleted countries in the world⁹, and the Company recognises the significant risk that nature loss may present to businesses and the economy. The construction and operation of renewable infrastructure assets can impact the local environment, for example through land use change or disturbance to habitats and species.

Mitigating Actions: BSIF endeavours to minimise its negative impacts where possible, and the collection of asset-level environmental data supports the Company in monitoring adverse environmental impacts over time.

Nature is an area of focus and commitment for BSIF, and it continues to measure the biodiversity across its portfolio to establish a baseline from which opportunities to enhance nature, through the addition of site-specific measures, can be identified. During the financial year, BSIF has also developed a nature framework, aligned with the principles of the Task Force for Nature-related Financial Disclosures (TNFD).



⁸Potential Adverse Impacts were derived from the International Institute for Sustainable Development.

Adverse impacts (continued)

As briefly explored, the renewables sector has the potential to cause adverse impact, and thus the sector must address these challenges. Notwithstanding, the International Institute for Sustainable Development (IISD) has assessed that renewables have a “far lower” social and environmental impact than other energy sources. Moreover, any identified negative impacts are often able to be further reduced, as evidenced by established practices and initiatives. Moreover, any identified negative impacts are often able to be further reduced, as evidenced by established practices and initiatives¹⁰.

Relating to BSIF, the Principal Adverse Impact (PAI) report is available on its [website](#).

Looking forward

BSIF will review its alignment with and contributions to the SDGs on an ongoing basis. Please refer to BSIF’s ESG report, published within its Annual Report, for a detailed overview of its ESG performance for the latest financial year.

References

- ¹ [The Sustainable Development Agenda - United Nations Sustainable Development](#)
- ² [The SDG investment case | Thought leadership | PRI \(unpri.org\)](#)
- ³ [Why do sustainable goals matter? | UN Environmental Programme](#)
- ⁴ [Potential adverse impacts were derived from the International Institute for Sustainable Development IISD](#)
- ⁵ [Factsheet: Solar Farms and Agricultural Land](#)
- ⁶ [United Kingdom Food Security Report 2021: Theme 2: UK Food Supply Sources](#)
- ⁷ [Factsheet: Solar Farms and Agricultural Land](#)
- ⁸ [Solar panels have come a long way. Recycling them has not - but that could change](#)
- ⁹ [State of Nature, 2023 report](#)
- ¹⁰ [Benefits of Renewables Outweigh Negative Impacts, REN21 Report Finds](#)



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