Alternative Investment Fund Managers Directive
Pre-investment Disclosure Document

Article 23 AIFMD

The regulatory regime in the European Union covering the management, administration and marketing of alternative investment funds, widely referred to as "AIFMD" which, since Brexit, has been transposed into UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**Withdrawal Act**"), requires the alternative investment fund manager (the **"AIFM**") of a fund such as Bluefield Solar Income Fund Limited ("**BSIF**" or the "**Company**") to comply with an extensive set of requirements in connection with the marketing of shares in the capital of the Company in the European Union. The regime is intended to offer an appropriate level of protection to investors in investment products that do not fall under the European Union regime for regulation of certain investment products known as "UCITS". BSIF is a Guernsey domiciled, internally managed non-EU non-UK alternative investment fund for the purposes of the AIFMD and the UK Alternative Investment Fund Managers Regulations 2013 (as amended) (the "**UK AIFM Regulations**"), as the board of directors of the Company (the "**Directors**") has overall responsibility for the Company's activities, including its risk and portfolio management activities. BSIF itself is therefore its own AIFM for the purposes of AIFMD.

AIFMD has been implemented in the United Kingdom by a combination of the Withdrawal Act, HM Treasury Regulations and FCA Handbook rules and requires that, among other things, certain information is made available by the AIFM to potential investors prior to their making an investment in the Company. The required information is set out in Article 23 of the AIFMD. The UK AIFM Regulations also require the AIFM to disclose certain information on a periodic basis.

To the extent that the AIFM has determined that the requisite information is already set forth in the Company's Annual Report and Accounts for the year ended 30 June 2024 (the "**Annual Report**") (or in any other source document to which investors have access or which they may request), this supplement contains references to the relevant source materials; and to the extent that the AIFM has determined that the requisite information has not been provided to investors, this supplement contains additional disclosure items.

1. A Description of the Investment Strategy and Objectives of the Company, Types of Assets the Company may invest in, Investment Techniques and Associated Risks and Investment Restrictions

For information about the Company's investment strategy and objectives, the types of assets in which the Company may invest, the investment techniques, principal risks and any investment restrictions, investors are directed to the following disclosures contained in the Company's Annual Report 2024.

Disclosure requirement	**Heading in Annual Report**
Investment Strategy and Objectives	1 Company's Objectives and Strategy (Strategic Report) 3 Investment Policy (Strategic Report)
Types of assets in which the Company may invest	1 Company's Objectives and Strategy (Strategic Report) 3 Investment Policy (Strategic Report)
Investment Techniques and Associated Risks	1 Company's Objectives and Strategy (Strategic Report) 3 Investment Policy (Strategic Report) 6 Principal and Emerging Risks (Strategic Report)
Investment Restrictions	3 Investment Policy (Strategic Report)

As at 22 May 2025

2. Leverage

The Company intends to make prudent use of leverage to finance the acquisition of investments, to make further investments and to enhance returns to investors.

Under the Company's Investment Policy there are restrictions on borrowing as follows:

The Group may make use of non-recourse finance at the SPV level to provide leverage for specific assets or portfolios provided that at the time of entering into (or acquiring) any new financing, total non-recourse financing within the portfolio will not exceed 50 per cent of the prevailing Gross Asset Value. In addition, the Group may, at holding company level, make use of both short-term debt finance and long-term structural debt to facilitate the acquisition of investments, but such holding company level debt (when taken together with the SPV finance noted above) will also be limited so as not to exceed 50 per cent of the Gross Asset Value.

An analysis of the current leverage used by the Company can be found in the section headed "Financing" in the Annual Report, which contains details of the Company's financing arrangements.

A summary of the debt strategy used by the Group can be found in the section headed "External Debt" in the Annual Report.

The Group has incurred and may in the future incur indebtedness which will be serviced by a first call on cash flows from investments. Whilst the use of leverage may offer the opportunity for enhanced returns to the Group, and thus additional capital growth, it also adds risk to the investment.

3. Modification of Investment Strategy

In accordance with the Listing Rules of the Financial Conduct Authority, any material change to the Company's published Investment Policy will require the prior approval of both the Financial Conduct Authority and the shareholders of the Company (by way of an ordinary resolution). In considering what is a material change the Company will have regard to the cumulative effect of all the changes since the Company's shareholders last had the opportunity to vote on the investment policy.

The Investment Policy is set out in the Annual Report.

4. Contractual Relationship between the Company and Investors, Applicable Law and the Enforcement of Judgments

BSIF is a renewable energy investment company whose shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the London Stock Exchange's main market for listed securities. The Company was incorporated with limited liability under the laws of Guernsey. The constitutional document of the Company is its memorandum and articles of incorporation ("**Articles**") which may only be amended by way of a special resolution. A shareholder's liability to the Company will be limited to the amount uncalled on their shares. The Company has one class of shares in issue, namely ordinary shares, with standard rights as to voting, dividends and payment on winding-up and no special rights and obligations attaching to them. Transfers to US persons are restricted but otherwise there are no material restrictions on transfers of shares. The shares are not redeemable at the option of investors.

As the Company is incorporated under the laws of Guernsey, any disputes between an investor and the Company will be resolved by the Royal Courts of Guernsey in accordance with Guernsey law. A final and conclusive judgment, capable of execution, obtained in the Supreme Court and the Senior Courts of England and Wales (excluding the Crown Court) would be recognised and enforced by the Royal Courts of Guernsey without re-examination of the merits of that case, but would be subject to compliance with procedural and other requirements of the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957.

As the Company is incorporated under the laws of Guernsey, it may not be possible for an investor located outside that jurisdiction to effect service of process within the local jurisdiction in which that investor resides upon the Company. All or a substantial portion of the assets of the Company may be located outside of the local jurisdiction in which an investor resides and, as a result (except as explained above), it may not be possible to satisfy a judgment against the Company in such local jurisdiction or to enforce a judgment obtained in the local jurisdiction's courts against the Company.

5. Information on the AIFM, Depositary and Service Providers

AIFM

The Company is categorised as an internally managed non-EEA non-UK AIF for the purposes of the AIFMD and the UK AIFM Regulations. The Directors are responsible for managing the business affairs of the Company and have overall responsibility for the Company's activities, including its risk and portfolio management activities. The Company has appointed Bluefield Partners LLP (the "**Investment Adviser**") as investment adviser to provide advice to the Directors to enable the Directors to make informed decisions for the Company, including but without limitation in respect of the portfolio and risk management of the Company and its investment portfolio.

BSIF makes its investments via a group structure which currently comprises BSIF and its wholly-owned UK subsidiary, Bluefield Renewables 1 Limited ("**Holdco"** and together with the Company the "**Group**"). Holdco invests directly or indirectly in the SPVs which own solar, wind and storage assets.

The Directors have delegated responsibility for day-to-day management of the assets comprised in BSIF's portfolio to the Investment Adviser, but all investment decisions will be taken by the Board, having regard to advice from the Investment Adviser. The Directors also have responsibility for exercising overall control and supervision of the Investment Adviser.

Depositary

The Company is categorised as an internally managed non-EEA non-UK AIF and so is not subject to the AIFMD requirements relating to the appointment of depositaries.

Service Providers

The Investment Adviser, the Company Secretary, the Administrator, and other key service providers are detailed in the General Information section of the Annual Report. A description of the duties of the Investment Adviser can be found in the Strategic Report section of the Annual Report. A description of the duties of the Administrator, the Auditor and other key service providers to the Company are contained in this Disclosure Document. All key service providers are appointed directly by the Company. Service providers are appointed following appropriate evaluation and once the Directors have ensured that the contractual arrangements with key service providers are appropriate. Investors enter into a contractual relationship with the Company when subscribing for Shares in the Company; they do not have any direct contractual relationship with, or rights of recourse to, the service providers in respect of any of such service provider's default pursuant to the terms of the agreement it has entered into with the Company.

Company Secretary

Ocorian Administration (Guernsey) Limited ("**Ocorian**") acts as Company Secretary to the Company. The Company Secretary is required to provide company secretarial services including convening meetings of Directors, keeping the statutory books and records of the Company, maintaining the Company register, convening general meetings of the Company, preparing and delivering company announcements and other company secretarial duties properly or reasonably performed by the secretary of a company or as the AIFM may reasonably require.

Registrar

Computershare (Jersey) has been appointed (the "Registrar") as the Company's registrar in relation to the transfer and settlement of Shares held in certificated and uncertificated form.

The register of Shareholders may be inspected at their office at 13 Castle Street, St Helier, Jersey, JE1 1ES, during normal business hours.

The Company has delegated certain investor record-keeping and administration duties to the Registrar, together with associated data processing tasks in respect of the Company. In line with the regulations that govern such operational outsourcing, the Company retains full responsibility for all work performed on its behalf and investors' rights are not affected by this delegation.

Brokers

Numis Securities Limited acts as the Company's corporate broker, providing the Company with corporate broking and associated financial advisory services.

Administrator

Ocorian also acts as Administrator to the Company. It is responsible for the safekeeping of any share and loan note certificates in respect of the Group's investments, the implementation of the Group's cash management policy, production of the Company's accounts, regulatory compliance, providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules, UK MAR, and for dealing with dividend payments and investor reporting. In addition, the Administrator is responsible for the day-to-day administration of the Company (including but not limited to the calculation, in conjunction with the Investment Adviser, of the Net Asset Value of the Company and the Ordinary Shares) and for general secretarial functions required by the Companies Act 2006 (including but not limited to the maintenance of the Company's accounting and statutory records).

In performance of all such duties, the Administrator is at all times subject to the control and review of the Board.

Auditor

KPMG Channel Islands Limited acts as the Company's auditor. The Auditor is responsible for auditing the annual financial statements that have been prepared by the AIFM in accordance with auditing standards and, as appropriate, regulations, and for providing its report to shareholders in the annual report and financial statements. In addition, applicable law and regulation may require other reports to be prepared for the Company and, as the appointed auditor of the Company, the Auditor will undertake such work under the auditor service agreement between the Company and the Auditor.

Solicitors

Norton Rose Fulbright LLP acts as the Company's solicitors in respect of matters of English law. Carey Olsen acts as the Company's solicitors in respect of matters of Guernsey law.

6. Protection from Professional Liability Risks

As an internally managed non-EEA non-UK AIF, the Company is not required to comply with Article 9(7) of the AIFMD relating to professional liability risk.

7. Delegation Arrangements and Management of Conflicts

Delegation Arrangements

From time to time, the AIFM may delegate certain management functions to third parties. As explained above, the AIFM has delegated:

- certain risk and portfolio management activities to the Investment Adviser, subject to the Company's investment policy and the investment guidelines that are adopted by the Directors from time to time;
- the company secretarial duties of the Company to Ocorian;
- certain record keeping duties to Link Market Services (Guernsey) Limited; and

- administration of the Company to Ocorian.

Conflicts of Interests

The Investment Adviser and any of its members, directors, officers, employees, agents and connected persons, and any person or company with whom they are affiliated or by whom they are employed (**Interested Parties**) may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments. Interested Parties may provide services similar to those provided to the Group to other entities and will not be liable to account for any profit earned from any such services. In particular, Bluefield Services Limited, a company under common control with the Investment Adviser, provides asset management services to the Group.

The Investment Adviser and its directors, officers, employees and agents will at all times have due regard to their duties owed to members of the Group and where a conflict arises they will endeavour to ensure that it is resolved fairly. Subject to the arrangements explained above, the Company may (directly or indirectly) acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to members of the Group (provided that no Interested Party will act as auditor to the Company) or hold Shares and buy, hold and deal in any investments for their own accounts, notwithstanding that similar investments may be held by the Group (directly or indirectly).

An Interested Party may contract or enter into any financial or other transaction with any member of the Group or with any shareholder or any entity, any of whose securities are held by or for the account of the Group, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it is contractually entitled in relation to any sale or purchase of any investments of the Group effected by it for the account of the Group, provided that in each case the terms are no less beneficial to the Group than a transaction involving a disinterested party and any commission is in line with market practice.

The Directors have noted that the Investment Adviser has other clients and have satisfied themselves that the Investment Adviser has procedures in place to address potential conflicts of interest.

8. Valuation Procedures

As an internally managed non-EEA non-UK AIF, the Company is not subject to the provisions concerning valuation procedures in Article 19 of the AIFMD.

The Company's key accounting policies as well as its critical accounting judgments, estimates and assumptions are set out in the "Notes to the Financial Statements" in the Annual Report, and its policy in relation to the valuation of investments is described within the Report of the Investment Adviser in the Annual Report.

The Investment Adviser is responsible for advising the Board in determining the Directors' Valuation and, when required, carrying out the fair market valuation of the Company's investments.

Valuations are carried out on a six-monthly basis as at 31 December and 30 June each year with the Company committed to conducting independent reviews as and when the Board believes it benefits the Shareholders to do so (in the period 2013-2022 two independent valuation reviews were commissioned).

As the portfolio comprises only non-market traded investments, the Investment Adviser has adopted valuation guidelines based upon the IPEV Valuation Guidelines as adopted by Invest Europe (formerly known as the European Venture Capital Association), application of which is considered consistent with the requirements of compliance with IFRS 9 and IFRS 13.

9. Liquidity Risk Management and Redemption Rights

The Company is authorised as a closed-ended investment company pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules

2015, and redemptions of shares at the option of Shareholders are not permitted; however, the Company's Ordinary Shares are admitted to trading on the main market for listed securities of the London Stock Exchange and are freely transferable.

As an internally managed non-EEA non-UK AIF, the Company is not subject to the provisions concerning liquidity management in Article 16 of the AIFMD. In that context, as regards liquidity risk management, the discount management mechanisms which may be employed by the Company involve: (i) the ability to purchase Ordinary Shares in the market pursuant to a general authority sought from Shareholders at each annual general meeting of the Company; and (ii) the ability to make tender offers from time to time.

The exercise by the Board of the Company's powers to repurchase Ordinary Shares pursuant to the general repurchase authority or by way of a tender offer is entirely discretionary and investors should place no expectation or reliance on the Board exercising such discretion on any one or more occasions. The Board ensures that the Company maintains a level of liquidity in its assets having regard to its obligations and monitors liquidity accordingly.

10. Fees, Charges and Expenses

The Investment Adviser is entitled to an annual fee which accrues daily and is calculated on a sliding scale as follows:

- 0.80 per cent. of the NAV up to and including £750 million;
- 0.75 per cent. of the NAV above £750 million and up to and including £900 million;
- And 0.65 per cent. of the NAV above £900 million.

The annual fee is payable monthly in arrears in cash, and is calculated on the prevailing NAV reported in the most recent quarterly NAV calculation as at the date of payment.

The annual fee will be borne by the members of the Group to reflect the extent to which the services provided by the Investment Adviser are provided to the relevant member of the Group. It is expected that the majority of the Investment Adviser's fees will be borne by Holdco as most of the Investment Adviser's services are and will be provided to it in respect of the Special Purpose Companies in which the Group invests.

The Company also incurs fees, charges and expenses in connection with bank fees and charges, marketing, company secretarial fees, administrative fees, auditors' fees, lawyers' fees and corporate brokers' fees. There is, however, no maximum cap on the total amount of fees, charges and expenses which may be indirectly borne by investors. There are no expenses charged directly to investors by the Company.

The Company's Ongoing Charges Percentage (which include the Investment Advisory Fee), as calculated in accordance with guidance published by the Association of Investment Companies, for the last reported financial year amounted to 1.00%.

11. Fair Treatment/ Preferential Treatment of Investors

As its Ordinary Shares are admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange, the Company is required to comply with, *inter alia*, the relevant provisions of the Listing Rules, the UK version of the EU Market Abuse Regulation (which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310)) and the Disclosure Guidance and Transparency Rules and the City Code on Takeovers, all of which operate to ensure fair treatment of investors. No investor in the Company obtains, or has obtained, preferential treatment or has the right to obtain preferential treatment.

12. Availability of the AIF's latest annual report

The Company's latest annual report is available on the Company's website: https://bluefieldsif.com/.

13. Procedure and Conditions for the Issue and Sale of Shares

The issue of new shares by the Company, either by way of a fresh issue of shares or by way of the sale of shares from treasury, is subject to the requisite shareholder authorities being in place and all FCA Listing Rule requirements having been met. Shares in the Company can also be bought in the open market through a stockbroker.

14. Latest NAV of the AIF

The Company's NAV is published by way of an announcement on a regulatory information service and is also available on the Company's website: https://bluefieldsif.com/. As well as being available on the Company's website, its share price is also available at www.londonstockexchange.com and appears in the Financial Times and other national newspapers.

15. AIF's historical performance

The Company's historical performance data, including copies of the Company's previous annual reports and accounts, are available on the Company's website: https://bluefieldsif.com/.

16. Prime Brokerage

The Company has not appointed a prime broker.

17. EU Sustainable Finance Disclosures Regulation and EU Taxonomy Regulation

Where required under the Sustainable Finance Disclosures Regulation (EU) 2019/2088 (the "**SFDR**") and / or the Taxonomy Regulation (EU) 2020/852 (the "**TR**"), additional disclosures required in accordance with the SFDR and / or the TR will be made available on the Company's website: https://bluefieldsif.com/.

Integration of sustainability risks

In relation to the manner in which sustainability risks are integrated into the Company's investment decisions, the Board considers sustainability risks to be environmental, social or governance ("**ESG**") events or conditions that could cause an actual or potential material negative impact on the value of the investment. Consequently, the Company manages such risks accordingly.

The Company recognises that management of material ESG issues (both risks and opportunities) is essential to the achievement of long-term, sustainable returns. As such, the Company takes an informed approach to the identification, management and monitoring of ESG issues, with the intention of enhancing its positive impacts and reducing negative ones. To achieve this, the Company has identified its material ESG topics via a materiality assessment and used these as the basis from which an ESG strategy has been developed, including associated ESG commitments and KPIs.

Sustainability risks are integrated into the Company's investment process through the following methods (please refer to the Company's Sustainable Investment Policy for a full overview, available on its website: https://bluefieldsif.com/):

- negative screening – with checks made against the Company's investment policy and exclusionary list (included as part of its ESG due diligence questionnaire). Processes for ensuring compliance with social and governance safeguards continue to be embedded, in particular around respect for human rights, labour rights, anti-bribery, anti-corruption, and sanctions;
- investment screening – the Company invests primarily in long-life UK solar energy infrastructure alongside a minority exposure of 25% of the Company's gross asset value (calculated at the time of investment) to other renewable energy assets (including non-subsidised assets) and energy storage assets;

- due diligence – a comprehensive due diligence questionnaire is used to identify material ESG risks and opportunities and understand any data gaps associated with the asset which the Company may need to fill in order to comply with its ESG reporting requirements. In addition to an exclusionary list, the questionnaire includes questions relating to material environmental, social and governance risks and opportunities, developed in line with SASB standards. Requirements of the SFDR, including in relation to Principal Adverse Indicators (PAIs) and climate screening, and the TR's Do No Significant Harm (DNSH) criteria, are also captured. Where required, the Company may outsource ESG due diligence to a competent third party;
- vetting and monitoring – undertaking legal checks on key counterparties to ensure that they are reputable, particularly as regards anti-money laundering, anti-bribery and anti-corruption, and sanctions breaches. Diligence is undertaken on O&M contractors associated with target assets, including in relation to labour practices and Health & Safety. Integration of ESG into vetting and monitoring of third-party service providers is ongoing and a dedicated ESG due diligence process is in place in association with engineering, procurement and construction ("**EPC**") site contractors;
- investment approval – approval of acquisition of renewable energy assets by the Board, with a dedicated ESG section within the submitted investment committee papers highlighting any material risks or opportunities identified as part of ESG due diligence;
- management and reporting – active management of sustainability issues over the operational lifespan of the assets through implementation of the Company's ESG strategy, with ESG performance evidenced to stakeholders via progress against publicly disclosed commitments and KPIs; and
- end of investment life – where renewable energy assets are held to the end of useful life and are decommissioned, best practice will be followed in the recycling of those assets in line with industry standards at the time of decommissioning, recognising their long-life span.

Sustainability risk factors are being integrated into the Company's investment decisions and thus can influence the types of assets in which the Company may invest. In particular, sustainability risks to which the Company is exposed may, if they manifest and are not mitigated, cause a negative impact on the value of the Company's investments.

Promotion of environmental and social characteristics and Taxonomy-alignment

Please refer to Annex 1 for information on how the Company promotes environmental characteristics and how its investments align with the EU Taxonomy criteria for environmentally sustainable economic activities.

Consideration of principal adverse impacts of investment decisions on sustainability factors

The Company takes into consideration the PAIs of its investment decisions on sustainability factors. On 28 June 2024, the Company published its second PAI report covering the reporting period of 1 January to 31 December 2023, available here in the 'Sustainability-related disclosures' section of the Company's website.

18. Periodic Disclosures

The AIFM will, at least as often as the annual report and accounts are made available to shareholders, make the following information available to shareholders:

- any changes to: (i) the maximum level of leverage that the AIFM may employ on behalf of the Company and; (ii) any right of reuse of collateral or any guarantee granted under any leveraging arrangement;
- the total amount of leverage employed by the Company;
- the percentage of the Company's investments which are subject to special arrangements resulting from their illiquid nature;
- the current risk profile of the Company outlining: (i) measures to assess the sensitivity of the Company to the most relevant risks to which the Company is or could be exposed; and (ii) if risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and, the remedial measures taken; and
- the risk management systems employed by the AIFM outlining the main features of the risk management systems employed by the AIFM to manage the risks to which the Company is or may be exposed. In the case of a change, information relating to the change and its anticipated impact on the Company and the shareholders will be made available.

The AIFM will inform shareholders as soon as practicable after making any material changes to its liquidity management system and procedures.

The information described above will be provided to shareholders by way of a regulatory news service announcement on the London Stock Exchange.

ANNEX I

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Product name: Bluefield Solar Income Fund Limited **(**the **Company)**

Legal entity identifier: 2138004ATNLYEQKY4B30

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: _%**	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 90% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective _%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?

Bluefield Solar Income Fund Limited (the Company) is an investment company focused on the acquisition and long-term management of a diversified portfolio of renewable assets in the UK. As the first solar focused investment company listed on the London Stock Exchange (LSE), the Company's mandate has since widened to include minority investment in other renewable asset types, including onshore wind and storage technologies.

As a renewable energy infrastructure fund, the Company has an intrinsic environmental focus. The Company promotes the following environmental characteristics: climate change mitigation; reduction of reliance on fossil fuels; and facilitation of the UK's transition to a net zero economy through the provision of renewable energy infrastructure and contribution to domestic energy security. The Company achieves these environmental characteristics through investment in renewable energy assets and supporting technologies.

As part of this the Company therefore excludes investments in companies referred to in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020, being (the "**Excluded Investments**"):

a. companies involved in any activities related to controversial weapons;

b. companies involved in the cultivation and production of tobacco;

c. companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;

d. companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;

e. companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;

f. companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels; and

g. companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.

In recognition of its positive environmental contribution, the Company has attained the following accreditations:

- Guernsey Green Fund
- London Stock Exchange Group (LSEG) Green Economy Mark
- The International Stock Exchange (TISE) Sustainable

The Company recognises that the management of material ESG issues (both risks and opportunities) is essential to the achievement of long-term, sustainable returns. As such, the Company takes an informed approach to the identification, management and monitoring of ESG issues, with the intention of enhancing its positive impacts and reducing negative ones. The Company has identified its material ESG topics via a materiality assessment, drawing upon internal and external stakeholder perspectives alongside a landscape review of the ESG regulatory environment, and these form the basis from which an ESG strategy has been developed, including associated ESG commitments and KPIs.

No reference benchmark has been designated for the purpose of attaining the environmental characteristics promoted.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Company are presented below:

Company ESG Commitment	KPIs
The Company will report its renewable energy generation annually.	Renewable energy generated (MWh)
	CO2e emissions avoided (tCO2e)[1]
	Equivalent houses powered (#)
	Additional solar infrastructure under construction (MW)
	Estimated additional annual renewable energy generation (MWh)
	Battery assets under construction (MW)

'CO2e emissions avoided' are calculated using generation data and the appropriate greenhouse gas conversion factor from the UK Government. 'Equivalent number of homes powered' is calculated using UK Office of Gas and Electricity Markets' (Ofgem) Typical Domestic Consumption Values for a medium-sized household.

[1] Please note this indicator has been updated from 'CO2e savings achieved'.

The Company is aware that robust data is needed to evidence its ESG performance, and it is working with its Investment Adviser to improve systems to facilitate the collection, analysis, and monitoring of ESG data across its investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Company promotes environmental characteristics but does not have as its objective sustainable investment. However, the Company considers that the vast majority of its investments are environmentally sustainable under the EU Taxonomy (contributing to the environmental objective of Climate Change mitigation) and qualifying as sustainable investments under the SFDR.

The Company considers that all of its investments in renewable energy infrastructure and supporting technologies support the Company's environmental characteristics of climate change mitigation, reduction of reliance on fossil fuels, and facilitation of the UK's transition to a net zero economy through the provision of renewable energy infrastructure and contribution to domestic energy. In relation to alignment with the EU Taxonomy, this is assessed and disclosed by the Company annually as part of its periodic reporting.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Company recognises that it has broader environmental and social impacts, and that these must be considered alongside good governance as part of supporting its long-term success. The Company's ESG strategy has been developed with a focus on priority ESG risks and opportunities, considered as part of the Company's responsible investment approach. These have been integrated into a holistic framework through which the Company aims to deliver value for its stakeholders, and which aims to support delivery of long-term returns for shareholders. The Company communicates its ESG performance through a comprehensive set of commitments and KPIs. Please refer to the Company's 2024 ESG Report within its Annual Report for further information.

ESG is embedded within the Company's investment process, and a standalone ESG questionnaire enables detailed checks to be made in relation to ESG risks and opportunities, as identified by SASB standards. Diligence is also undertaken in relation to requirements of the SFDR, including in relation to PAI indicators and climate risk screening, and the EU Taxonomy's Do No Significant Harm (DNSH) criteria. The SFDR's social indicators, including 'Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises' and 'Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises' are included within this.

Once acquired into the portfolio, there is active management of sustainability issues over the operational lifetime of the assets, in line with the Company's ESG strategy. Each asset is subject to routine ESG data reporting to allow the monitoring of ESG performance and fulfilment of ESG reporting requirements.

Examples of activities undertaken by the Company to support alignment with the EU Taxonomy's DNSH criteria include:

- <u>Protection and restoration of biodiversity and ecosystems</u>: Nature is an area of focus and commitment for the Company. A Landscape & Ecological Management Plan (LEMP) is typically developed for each asset as part of planning requirements, adherence to which is monitored across the asset's operational lifespan. However, the Company endeavours to go beyond planning requirements to foster biodiversity across its portfolio, where appropriate. The Company continues to measure the biodiversity present across its portfolio to establish a baseline from which opportunities to enhance nature, through the addition of site-specific measures, can be identified. Such includes through biodiversity net gain assessments and ecological surveys. In 2024, the Company developed a nature strategy to provide an overarching framework through which the Company can identify and manage its nature-related risks and opportunities, communicate activities associated with nature in a consistent and clear manner, and align with emerging regulatory and framework requirements.

- <u>Transition to a circular economy</u>: The Company remains committed to a best practice approach in respect of asset decommissioning and recycling, acknowledging that recycling practices at the point of decommissioning remain difficult to define, given the long lifespan of renewable infrastructure. In 2023, the Company adopted a Sustainable Procurement Policy, and in 2024, the Company partnered with Lancaster University to launch a research program focused on end-of-life decision-making for renewable assets.

- Climate Change Adaptation: The Company has undertaken two physical and one transitional scenario analyses, to better understand the potential impacts of climate change on its portfolio and business strategy. The results of the three scenario analyses have been used to create a climate adaptation plan for the portfolio, finalised in 2024.

The Company commits to continue its work to further align its investments with the requirements of the SFDR and EU Taxonomy, and delivery of the Company's broader ESG strategy.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The SFDR prescribes 14 mandatory PAI indicators that the Company must consider and report against. For each of these indicators, the Company has undertaken an assessment to identify which of these relate to the activities of the fund. The Company has also identified an additional two PAI indicators to report against:

- Lack of a human rights policy: Share of investments in entities without a human rights policy.

- Natural species and protected areas: Share of investments in investee companies whose operations affect threatened species; Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas.

The Company produces an annual PAI statement, available on its website. Sustainability considerations are integrated into the Company's investment process and PAI indicators are included within the Company's investment ESG due diligence questionnaire. Post-investment, sustainability data is routinely collected from each asset within the Company's portfolio, which is used to produce annual PAI disclosures. The development of the Company's ESG strategy was also informed by regulatory drivers, including the PAI indicators.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Company recognises the importance of fair treatment of those involved in the delivery of its infrastructure projects along the supply chain and is committed to appropriate due diligence and implementation of policy and practice to help combat modern slavery and human trafficking. The Company has zero tolerance for any form of human rights abuse, as reflected in the Company's Modern Slavery Statement, available on its website.

Human and labour rights are key priorities for the Company, particularly in relation to materials sourcing and supply chain management. Such is reflected within the Company's ESG strategy. SFDR PAI's relating to the OECD Guidelines and UN Guiding Principles are included within the Company's investment ESG due diligence questionnaire. Human rights are also considered more broadly within this, including in relation to any O&M arrangements which may form part of the investment opportunity.

The Company has adopted a Human Rights Policy and Supplier Code of Conduct, informed by the UNGC and OECD frameworks. The Company has also undertaken a review of its human rights due diligence processes; please refer to the 2024 ESG report for further information.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the Company take into consideration the PAIs of its investment decisions on sustainability factors

☐ No

The Company considers and discloses against the following PAI indicators:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
15. Natural species and protected areas
16. Lack of a human rights policy

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Company owns a large, diversified portfolio of operational solar energy assets, each located within the UK, with a focus on utility scale assets and portfolios on greenfield, industrial and/or commercial sites. The Company will continue to be primarily invested in long life UK solar energy infrastructure, alongside a minority exposure to other renewable energy assets and energy storage assets. The Company's portfolio is expected to generate returns over a 25 year, or greater, asset life.

The Investment Adviser implements the Company's investment strategy and has developed a rigorous approach to investment selection, appraisal and commitment. All investments are subject to a robust internal approval process, and all investments are screened to exclude Excluded Investments, prior to issuing investment decisions. All investment recommendations by the Investment Adviser (including investment and divestment recommendations) are subject to review and approval by the Company's experienced Board of Directors.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Company's investment screening criteria permits investment primarily in long-life UK solar infrastructure alongside a minority exposure of 25% of the Company's gross asset value (calculated at the time of investment) to other renewable energy assets (including non-subsidised assets) and energy storage assets. Application of these investment screening criteria require the Company to invest in renewable energy infrastructure and supporting technologies, which in turn enables the Company to attain its environmental characteristics of climate change mitigation, reduction of reliance on fossil fuels, and facilitation of the UK's transition to a net zero economy through the provision of renewable energy infrastructure and contribution to domestic energy security (and therefore excludes Excluded Projects).

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

As described above, prior to making investment decisions, the Investment Adviser carries out checks against the Company's investment policy (which included confirming no project is an Excluded Projects), which only permits investment into renewable infrastructure and supporting technologies such as energy storage. An ESG due diligence questionnaire has been created for use as part of the investment process, which includes an exclusionary list. The Company is committed to continuing its work on integrating processes to ensure compliance with social and governance safeguards, in particular around respect for human rights, labour rights, anti-bribery, anti-corruption, and sanctions.

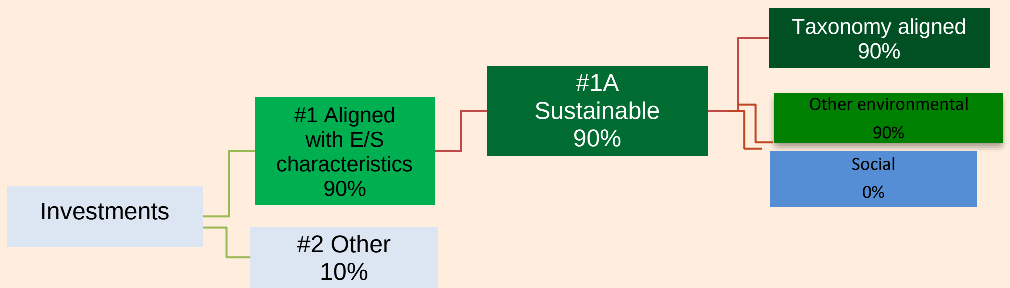
What is the policy to assess good governance practices of the investee companies?

N/A. The Company invests in infrastructure assets only through Special Purpose Vehicles (SPVs) and/or holding companies.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



***#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.*

***#20ther** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.*

*The category **#1 Aligned with E/S characteristics** covers:*

*- The sub-category **#IA Sustainable** covers sustainable investments with environmental or social objectives.*

*- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.*

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A. The Company does not employ the use of derivatives to attain the environmental characteristics that it promotes.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Company looks to achieve a minimum of 90% of sustainable investments with an environmental objective aligned with the EU Taxonomy.

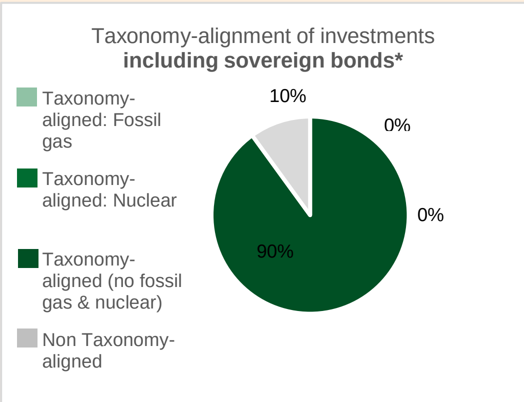
Does this financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

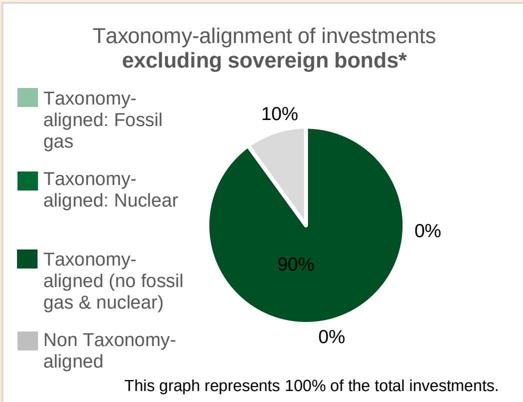
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the** minimum **share of investments in transitional and enabling activities?

N/A. The Company has not made a minimum commitment regarding investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A. The Company has not made a minimum commitment regarding sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of socially sustainable investments?

0%. The Company does not hold investments that would be considered to be socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Company's investments classified under “#2 other” or “non-sustainable” may consist of cash and cash-equivalents, along with trade and other receivables. Cash and cash-equivalents refer to highly liquid assets like bank deposits and short-term investments. Trade and other receivables represent money owed to the Company for goods or services provided but not yet paid for by customers or other parties. Certain categories of Operating Expenses may be excluded if they are not directly related to the operation of renewable energy assets.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Company has not designated an index as a reference benchmark to determine its alignment with the environmental characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

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https://bluefieldsif.com/fund-sustainability/sustainability-disclosures/