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ANNEX 1

ANNEX

to the

Commission Delegated Regulation (EU) .../...

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX I

Template principal adverse sustainability impacts statement

For the purposes of this Annex, the following definitions shall apply:

(1) ‘scope 1, 2 and 3 GHG emissions’ means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council[1];

(2) ‘greenhouse gas (GHG) emissions’ means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council[2];

(3) ‘weighted average’ means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;

(4) ‘enterprise value’ means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;

(5) ‘companies active in the fossil fuel sector’ means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council[3];

(6) ‘renewable energy sources’ means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;

(7) ‘non-renewable energy sources’ means energy sources other than those referred to in point (6);

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[1] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

[2] Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

[3] Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

(8) ‘energy consumption intensity’ means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;

(9) ‘high impact climate sectors’ means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council[4];

(10) ‘protected area’ means designated areas in the European Environment Agency’s Common Database on Designated Areas (CDDA);

(11) ‘area of high biodiversity value outside protected areas’ means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council[5];

(12) ‘emissions to water’ means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council[6] and direct emissions of nitrates, phosphates and pesticides ;

(13) ‘areas of high water stress’ means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute’s (WRI) Water Risk Atlas tool “Aqueduct”;

(14) ‘hazardous waste and radioactive waste’ means hazardous waste and radioactive waste;

(15) ‘hazardous waste’ means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council[7] ;

(16) ‘radioactive waste’ means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom[8];

(17) ‘non-recycled waste’ means any waste not recycled within the meaning of ‘recycling’ in Article 3(17) of Directive 2008/98/EC;

(18) ‘activities negatively affecting biodiversity-sensitive areas’ means activities that are characterised by all of the following:

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4 Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

5 Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

6 Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

7 Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

8 Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

(a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;

(b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:

(i) Directive 2009/147/EC of the European Parliament and of the Council[9];

(ii) Council Directive 92/43/EEC[10];

(iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council[11];

(iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);

(19) 'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139[12];

(20) 'threatened species' means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;

(21) 'deforestation' means the temporary or permanent human-induced conversion of forested land to non-forested land;

(22) 'UN Global Compact principles' means the ten Principles of the United Nations Global Compact;

(23) 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;

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9 Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

10 Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

11 Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

12 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

(24) ‘board’ means the administrative, management or supervisory body of a company;

(25) ‘human rights policy’ means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;

(26) ‘whistleblower’ means ‘reporting person’ as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council[13];

(27) ‘inorganic pollutants’ means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council[14], for the Large Volume Inorganic Chemicals- Solids and Others industry;

(28) ‘air pollutants’ means direct emissions of sulphur dioxides (SO_2), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), and fine particulate matter ($PM_{2,5}$) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council[15], ammonia (NH_3) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;

(29) ‘ozone depletion substances’ mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

(1) ‘GHG emissions’ shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

(2) ‘carbon footprint’ shall be calculated in accordance with the following formula:

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13 Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

14 Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

15 Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (Text with EEA relevance), *OJ L 344, 17.12.2016, p. 1–31*

$$\frac{\sum_n^i \left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€M)}$$

(3) ‘GHG intensity of investee companies’ shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i}\right)$$

(4) ‘GHG intensity of sovereigns’ shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{The\ country's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{Gross\ Domestic\ Product_i (€M)}\right)$$

(5) ‘inefficient real estate assets’ shall be calculated in accordance with the following formula:

$$\frac{((Value\ of\ real\ estate\ assets\ built\ before\ 31/12/2020\ with\ EPC\ of\ C\ or\ below) + (Value\ of\ real\ estate\ assets\ built\ after\ 31/12/2020\ with\ PED\ below\ NZEB\ in\ Directive\ 2010/31/EU))}{Value\ of\ real\ estate\ assets\ required\ to\ abide\ by\ EPC\ and\ NZEB\ rules}$$

For the purposes of the formulas, the following definitions shall apply:

(1) ‘current value of investment’ means the value in EUR of the investment by the financial market participant in the investee company;

(2) ‘enterprise value’ means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;

(3) ‘current value of all investments’ means the value in EUR of all investments by the financial market participant;

(4) ‘nearly zero-energy building (NZEB)’, ‘primary energy demand (PED)’ and ‘energy performance certificate (EPC)’ shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council[16].

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Bluefield Solar Income Fund Limited (the **Company),** 2138004ATNLYEQKY4B30 **Product Name:** Bluefield Solar Income Fund Limited **Legal Entity Identifier:** 2138004ATNLYEQKY4B30
Summary Bluefield Solar Income Fund Limited (the “Company”, LEI 2138004ATNLYEQKY4B30) considers principal adverse impacts (“PAIs”) of its investment decisions on sustainability factors. The present statement is the consolidated statement on PAIs on sustainability factors of the Company, specifically relating to its portfolio of renewable energy infrastructure assets. This statement on PAIs on sustainability factors covers the reference period 1 January to 31 December 2022. The Company is an investment company focused on the acquisition, and ongoing operation, of UK-based renewable energy infrastructure assets, including a large, diversified portfolio of operational solar energy assets, alongside a minority exposure to other renewable technologies, including wind and energy storage assets. As the first PAI statement produced by the Company, the Company has diligently assessed and reported against all indicators. An assessment was undertaken in the first instance to identify which of the PAI indicators related to the Company’s activities. Two additional indicators were selected based on their materiality to the Company’s operations, comprised of those relating to natural species & protected areas, and human rights impacts. The Company invests in infrastructure assets, which are owned by special purpose vehicles (SPVs). For maximum transparency, the Company has chosen to collect asset-level data (combining this with SPV and holding company data where applicable) and has consolidated and reported this at

16 Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

the level of the Company, to reflect the PAI's of the portfolio as a whole. As the Company owns 100%[17] of its portfolio, this statement reflects the impacts of all investments made by the Company; no attribution of impacts was necessary.

The Company's fiscal year runs from 1 July – 30 June. Therefore, in order to analyse PAIs on sustainability factors during the reference period, the Company has defined its 'enterprise value' as "the sum, *as at 31 December 2022*, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents". Given that the Company owns 100%[17] of its portfolio, it has interpreted 'current value of investment' and 'current value of all investments' as the sum of the market capitalisation of ordinary shares and debt at each quarter end (€M).

During the reference period, the Company owned over 240 operational renewable assets, comprised of large wind farms, solar farms, small-scale and rooftop solar sites, single-stick turbines and 2 co-located battery energy storage system (BESS) assets. Although the aforementioned BESS assets are eligible for PAI reporting, both were non-operational since acquisition and during the reference period. The Company also has a development pipeline, of which the construction of one asset commenced in Q4 2022. The PAIs of this asset have been evaluated and consolidated within the following disclosure. Two solar assets, acquired on 23 December 2022, were excluded from this disclosure as these assets were held by the Company for an insignificant proportion of the reference period (and therefore inclusion of these assets would not have provided a representative report of their adverse impacts).

As an investment company, the Company has no employees, and management of the portfolio is outsourced to key business partners and service providers. The Company worked collaboratively with key service providers, responsible for both the asset management and operation and maintenance (O&M) of its portfolio of assets, to establish processes for the collection of PAI data. However, PAI reporting requires a breadth and depth of data that has not been experienced to date, and as such the request has proved challenging across the industry. To overcome this, the Company is committed to working with and supporting its key service providers to ensure continual improvement in the availability and quality of sustainability-related data, which is expected to improve as data collection processes mature over time.

PAI data was collected retrospectively for the reference period. The Company has calculated metrics per quarter, with the average of the four quarters presented in Tables 1 and 2. Where data was unavailable, the Company has provided details of any estimates or assumptions applied, including a figure to demonstrate % estimated data, for maximum transparency. Through the processes described above, the Company is committed to reducing the proportion of estimated or assumed data over time. For the calculation of Scope 3 Category 1 emissions arising from 'Purchased Goods & Services', spend at each level of the Company's structure was analysed, including asset-holding SPV's, holding companies and the top company, enhancing the accuracy of the Company's Scope 3 inventory. This approach represents a material change in the Company's methodology

[17] There are a very small number of sites where landowners have retained a de minimis in the project.

to calculate Scope 3 emissions compared with its first GHG inventory, which was presented in the Company's 2022 Annual Report. In line with the Company's commitment to reporting its sustainability impacts as accurately and transparently as possible, this revised methodology will continue to be used moving forward.

The Company is committed to improving its ESG performance over time and will continue to monitor and report on its PAI impacts alongside other metrics adopted as part of its wider ESG strategy. By doing so, the Company hopes to ensure its portfolio operates in line with an all-encompassing definition of sustainability, as well as making a substantial contribution to the environmental objective of climate change mitigation. Though information on 'actions planned' is detailed in the table below, please note that a full suite of refreshed ESG commitments will be detailed in the Company's 2023 Annual Report, relating to the period ending 30 June 2023.

[*Summary referred to in Article 5 provided in the languages referred to in paragraph 1 thereof*]

Description of the principal adverse impacts on sustainability factors

[*Information referred to in Article 7 in the format set out below*]

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	**Metric**	**Impact [year n]**	**Impact [year n-1]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					

Greenhouse gas emissions [18]	1. GHG emissions	Scope 1 GHG emissions	1.83 tonnes CO2e	This is the Company's first PAI disclosure.	The Company's Scope 1 emissions relate to the ad hoc use of diesel generators, which are used in the event of equipment failure or repair. GHG emissions were calculated in line with SFDR guidance, using emissions data, the current value of all Company investments (€M) and its revenue (€M) at each quarter end. The figure presented reflects the average of these quarterly data points.	Backup generators are only used when absolutely required, for example during periods of maintenance and repair when mains electricity is not available. The use of non-renewable fuel sources will continue to be minimised wherever possible. Bluefield Operations Limited, the Company's primary O&M contractor, are investigating less carbon intensive forms of emergency power supply.
		Scope 2 GHG emissions	390.67 tonnes of CO2e (market-based); 262.80	-	Scope 2 emissions relate to the portfolio's consumption of a	To reduce Scope 2 emissions, the Company has

[18] For all GHG calculations, GHG data was collected retrospectively and emissions attributed to each quarter of the reference period.

			tonnes of CO2e (location-based)		minimal amount of electricity derived from the grid. Where possible, consumption data was obtained from invoices. Data gaps were filled through a combination of extrapolation and estimation, representing approximately 14% of the data. Emission factors were assigned based on the import tariff agreement of each asset (i.e., whether the tariff was 100% renewable energy or not). Emissions were calculated using market- and location-based approaches, both of which are disclosed for transparency.	committed to transferring its operational assets onto renewable energy import tariffs as they come up for renewal. Renewable tariffs will be elected in the first instance for new assets being developed.
		Scope 3 GHG emissions	10,259.45 tonnes of CO2e	-	As per the GHG protocol, Scope 3	The Company works to continuously

					activities were screened for their significance and relevance in relation to the Company's activities. Emissions fell into the following Scope 3 categories: Purchased Goods & Services; Fuel-and-Energy-Related Activities (as stated, 14% of electricity data was estimated or extrapolated); and Waste Generated in Operations (36% estimated).	improve the accuracy and reliability of its GHG inventory. For the reference period, the Company enhanced its Scope 3 methodology by including spend data from every asset holding SPV, holding company and top company within the Company structure, increasing the accuracy of the Scope 3 emissions. A spend-based method, using UK Environmentally Extended Input-Output (EEIO) factors provided by DEFRA, were applied to calculate these emissions. Moving forward, the Company will look to obtain more accurate data relating to the emissions of key third-party suppliers to

						reduce reliance on generic emissions factors and improve the accuracy of its GHG emissions. This will be informed by recent work undertaken by the Company to map its supply chains and identify key suppliers working in high-emissions sectors. Through the ongoing rollout of its Supplier Code of Conduct, the Company will encourage its key suppliers to calculate and minimise their own carbon impacts.
		Total GHG emissions	10,651.96 tonnes of CO2e (market-based); 10,524.09 tonnes of CO2e (location-based)	-	As expected for a renewable infrastructure fund, the Company's Scope 1 and 2 emissions are very low, with Scope 3 representing the majority share of total	The Company will continue to calculate and monitor the emissions of its portfolio and seek to identify opportunities to reduce them where possible. As

					emissions. Purchased Goods & Services account for the largest impact, reflecting the outsourced management of the Company’s portfolio to third-party contractors.	mentioned, given that the majority of the Company's emissions lie within Purchased Goods & Services, the Company will focus on increasing the accuracy of Scope 3 data through engagement with its key service providers and suppliers.
	2. Carbon footprint	Carbon footprint	7.30 tonnes of CO2e (market-based); 7.21 tonnes of CO2e (location-based)	-	The Company’s carbon footprint was calculated in line with SFDR guidance, using total GHG emissions (calculated as per PAI 1) and the current value of all investments (€M) at each quarter end. The figure presented reflects the average of these quarterly data points.	As above.
	3. GHG intensity of investee companies	GHG intensity of investee companies	311.68 tonnes CO2e per €M (market-based); 307.70 tonnes CO2e	-	This metric was calculated in line with SFDR guidance, using actual GHG emissions	As above.

			per €M (location-based)		data and the Company's revenue (€M), taken at each quarter end.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	-	In line with the Company's Investment Policy, investment can only be made into renewable energy infrastructure assets and related technologies.	N/A
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a	83.44% non-renewable energy consumption; 0% non-renewable energy production (100% renewable energy production)	-	During the reference period, the majority of the Company's energy consumption was from non-renewable energy sources. This was due to the consumption of standard grid mix electricity and a small proportion of diesel used in backup generators. The portfolio is comprised wholly of renewable energy infrastructure assets,	As above, the Company has committed to transferring its operational assets onto renewable energy import tariffs as they come up for renewal. Renewable tariffs will be elected in the first instance for new assets being developed.

		percentage of total energy sources			which produce only renewable electricity. In 2022, non-renewable electricity consumption equated to <1% of renewable electricity generated.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.042 GWh/€M	-	The Company falls into the high impact climate sector of "Electricity, Gas, Steam, and Air Conditioning Supply" as defined within D 35.11 of the NACE Code (Regulation (EC) No 1893/2006), which includes the operation of generation facilities that produce electric energy. As expected, the figure is very small, reflecting the minimal quantity of electricity consumed by the Company (especially compared to the significant quantity of renewable energy it generates).	The Company will continue to contribute to climate change mitigation and the UK's net zero ambition through the generation and provision of renewable energy to the UK grid.

Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	-	The Company manages the ecological impacts of its assets across their lifecycle. Local planning authorities stipulate the environmental assessments and resulting mitigation measures to be undertaken as part of the development process of new assets. Once operational, the Company's service providers, including Bluefield Operations Limited, are responsible for ensuring each asset remains compliant with its Landscape and Ecological Management Plan (LEMP). The LEMP is often created during the planning phase of a new project, to help	The Company used mapping tools to identify which sites within its portfolio were located within 1km of a biodiversity sensitive area (as defined by Annex I of Annex II of the Commission Delegated Regulation (EU) 2022/1288) as well as UK statutory land-based designations i.e., Sites of Special Scientific Interest (SSSI's). In addition to preventing as far as possible any negative impacts on biodiversity-sensitive areas, the Company is seeking to enhance biodiversity across its portfolio. The Company has adopted a Biodiversity Policy,

					ensure the asset has no net negative impact on the surrounding environment. The LEMP may specify enhancement measures which support (and potentially increase) the biodiversity present across the site, for example wildflower seeding or bat and bird box installation. Additionally, during the reference period, the Company commissioned an independent assessment to determine alignment of the Company's portfolio with the EU Taxonomy's technical screening criteria for environmentally sustainable economic activities. The assessment concluded that the Company's portfolio is 100%	reflecting its ambition to become an industry leader in biodiversity management. 'Pioneering Positive Local Impact' is one of the Company's three ESG pillars, and within this, biodiversity is a key area of focus. The Company has made a range of biodiversity-related commitments, including conducting biodiversity assessments across at least 10% of its sites annually (for assets over >1MW in capacity) and achieving 20% Biodiversity Net Gain (BNG) for all new solar developments, going beyond the 10% requirement of the UK Environment Act. These commitments will be delivered by

					taxonomy-aligned, and therefore does not cause significant harm to biodiversity and ecosystems as referenced by EU Regulation 2020/852. The two non-operational battery assets were not included within the EU Taxonomy assessment but were deemed not to negatively affect biodiversity during the reference period.	the Company's key service providers, who work collectively to implement, manage and monitor biodiversity initiatives across the asset lifecycle.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	-	The Company's infrastructure assets do not cause direct emissions to water as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council. A small quantity of water is brought to site for PV	The Company will continue to only use a small quantity of deionised or mains water for panel washdown purposes and will monitor and track environmental and pollution-related incidents at its assets.

					washdown purposes by contractors. Only deionised or mains water is used for this process. No pollution incidents were reported during the reference period.	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Hazardous waste - 0.01 tonnes/€M Radioactive waste - 0	-	The Company's activities are not associated with radioactive substances and no radioactive waste was produced during the reference period. The Company produced a minimal amount of hazardous waste during the reference period. Asset-level data proved difficult to obtain due to current waste management practices across the industry (waste is often centralised from multiple sites and/or	The Company will continue to work with its O&M service providers to improve the availability and accuracy of hazardous waste data.

					clients, making accurate site-level data difficult to retrieve). 7.5% of the total quantity of hazardous waste reported was estimated by O&M service providers and <1% was extrapolated to fill data gaps.	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	-	During the reference period, there were no reported violations of the UNGC or OECD guidelines in relation to the Company's portfolio of assets. The Company itself has no employees, however, it aims to ensure that key third-party service providers who manage the portfolio on its behalf uphold responsible	The Company has zero tolerance for any form of human rights abuse, as is reflected in its Modern Slavery Statement available on its website. Human and social rights considerations are integrated into investment and key third-party due diligence processes. To mitigate risks as far as possible and to help

					business principles, including in relation to human and social rights.	ensure it is benefitting from ethical supply chains, the Company is committed to building robust management and due diligence practices, aligned with global frameworks. The Board of the Company adopted a Human Rights Policy and a Supplier Code of Conduct, aligned with international best practice frameworks, on 29 June 2023.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD	100%	-	During the reference period, the Company did not have a written policy in place to monitor compliance with the UNGC principles or OECD guidelines.	As described above, the Company has zero tolerance for any form of human rights abuse and has a publicly available Modern Slavery Statement. The Company has been reviewing, updating, and

	and OECD Guidelines for Multinational Enterprises	Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				strengthening how ESG is integrated into policies, procedures, and processes. One of these elements includes the development of a Human Rights Policy which explicitly references the UNGC and OECD frameworks. This policy was adopted by the Board of the Company on 29 June 2023.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	-	-	The Company does not have any employees.	N/A
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a	38.33 %	-	The Company's Board had an average of 38% female representation during the reference period. In the final quarter, there was 40% female representation.	The Board of the Company acknowledges the importance of diversity for the effective functioning of the Board and

		percentage of all board members				commits to supporting diversity in the boardroom. It is the Board's ongoing aspiration to have well-diversified representation, acknowledging the value of directors with diverse skillsets, capabilities and experience gained from different geographical and professional backgrounds, bringing a wide range of perspectives to the Company.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	-	The Company does not invest in controversial weapons. As per its Investment Policy, the Company can only invest in renewable energy infrastructure assets and supporting technologies.	N/A

	biological weapons)					
Other indicators for principal adverse impacts on sustainability factors						
[*Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (a) in the format in Table 2*]						
[*Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (b), in the format in Table 3*]						
[*Information on any other adverse impacts on sustainability factors used to identify and assess additional principal adverse impacts on a sustainability factor referred to in Article 6(1), point (c), in the format in Table 2 or Table 3*]						

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

[*Information referred to in Article 7*]

Description of policies

The Company has several ESG policies which ensure that sustainability factors, including the SFDR's PAIs, are considered throughout the investment lifecycle. The Company's Sustainable Investment Policy was made publicly available in December 2022 (on its website) and was formally adopted by the Company Board on 29 June 2023. The commitments within this policy have been enacted by the Investment Adviser since September 2022. The policy outlines how sustainability factors are considered and integrated within the investment process and as part of operational activities. The policy sets out the Company's ESG framework, including the three key pillars of its ESG strategy, and details how ESG considerations are integrated through a combination of negative screening, investment screening, due diligence, investment approval, management & reporting and at asset end-of-life. Pre-acquisition, an ESG questionnaire is used to identify material ESG risks and opportunities, which have been identified in line with SASB standards and regulatory frameworks, such as the SFDR. The PAIs are explicitly referenced within this. Once acquired, ESG impacts (including opportunities to create positive value) are managed through the Company's ESG strategy, which is implemented through the Company's key service providers, including the Bluefield development, investment, asset management and O&M teams. A set of commitments and KPIs have been developed to enable the Company to monitor and evidence its ESG performance over time; these can be found on pages 55-56 of BSIF's Annual Report 2022.

The Company's ESG Policy, adopted by the Board in June 2022 (available on its website), speaks more broadly to the Company's sustainability context and its role in delivering renewable energy as part of climate change mitigation. Through this policy, the Company acknowledges that delivering renewable energy has wider ESG challenges that must be managed, and that it also presents broader opportunities and benefits that can be maximised. The Company published its Biodiversity Policy in September 2022, reflecting its commitment to deliver positive ecological gain across its portfolio as an additional way to help mitigate the impacts of climate change. Commitments made within this policy will be delivered by the Company's key service providers, who work collectively to safeguard protected species and habitats; identify, assess, and mitigate any potentially negative impacts of its operations to the local environment; and comply with its legal and planning commitments. These commitments are reflected in the Company's ESG strategy and associated KPIs.

The Board has ultimate responsibility and oversight of ESG matters; please refer to page 27 of BSIF's Interim report for a summary of the Company's ESG governance structure. This demonstrates how responsibilities are delegated by the Board across the Company's key service providers, which encompasses implementation of the aforementioned ESG policies within activities undertaken on behalf of the Company.

Methodologies - *How were PAIs identified and assessed?*

In 2022, the Company engaged an external sustainability consultant to undertake a materiality assessment as part of ESG strategy development. The materiality assessment included use of the SASB Standards, the application of industry experience, and consultation with internal and external stakeholders to identify the ESG risks and opportunities most relevant to the Company and its operations. Priority ESG topics were cross-referenced with the PAIs of the SFDR in order to ensure the most relevant additional indicators were selected. Given the Company's focus on biodiversity, the PAI of "natural species and protected areas" was selected. Human and labour rights are also a key consideration for the Company, particularly in relation to materials sourcing and supply chain management, therefore the PAI of "lack of a human rights policy" was chosen. Relevant PAIs have been integrated into the Company's investment due diligence process and overarching ESG strategy and are reflected in associated commitments and KPIs (alongside other key ESG-related risks and opportunities).

The Company collected asset-level data (combining this with SPV and holding company data where applicable) and consolidated and reported this at the level of the Company, to reflect the PAI's of the portfolio as a whole. Metrics were calculated per quarter, with the average of the four quarters presented in Tables 1 and 2. The Company's fiscal year runs from 1 July – 30 June. Therefore, in order to analyse PAIs on sustainability factors during the reference period, the Company has defined its 'enterprise value' as "the sum, *as at 31 December 2022*, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents". Given the Company owns 100% of its portfolio[19], it has interpreted 'current value of investment' and 'current value of all investments' as the sum of the market capitalisation of ordinary shares and debt at each quarter end (€M).

The Investment Adviser collected data retrospectively for the reference period. Data was collated from a wide range of sources, including contractor service and repair reports, invoices, and other forms of internal records. Relationships between the Bluefield service provider companies enabled efficient data collection for a large portion of the Company's portfolio. However, data collection from external third parties was more challenging, particularly as many providers across the industry did not have existing data collection processes in place. As a result, in some instances, estimated data was accepted.

An external sustainability consultant was engaged to calculate the Company's GHG emissions following the GHG Protocol Corporate Standard. The Company worked with the consultant to enhance its Scope 3 methodology by including spend data from every asset holding SPV, holding company and top company within the company structure, increasing the accuracy and transparency of the Company's Scope 3 emissions. A spend-based method, using UK Environmentally Extended Input-Output (EEIO) factors provided by DEFRA, was applied to calculate these emissions.

Using the consultant's expertise, reasonable assumptions were applied where data gaps existed. These were based on industry-agreed methodologies, to ensure the consistency and comparability of data with future periods. Estimates, extrapolation, and proxy data were used where required, though it is important to note that this affected a relatively small proportion of the Company's total GHG emissions (<3%). Reasonable assumptions were also applied where data gaps existed in relation to hazardous waste. The proportion of estimated and extrapolated data (if used) relating to each PAI has been disclosed within Tables 1 and 2. A small margin of error is expected with the use of estimates and proxies, and the Company is committed to improving the accuracy of its PAI disclosures over time, as data collection processes mature.

Engagement policies

[*Information referred to in Article 8*]

Given that the Company invests in infrastructure assets, engagement and investor stewardship does not form part of its ESG investment strategy.

To communicate its ESG expectations and to support delivery of its ESG strategy, the Company has recently adopted a suite of policies, including a Sustainable Procurement Policy, a Waste Management Policy, a Human Rights Policy, and a Supplier Code of Conduct. Commitments within these policies will be enacted through the activities of the Company's delivery partners, including its service providers and contractors, helping drive ethical practices across the Company's operations and supply chain.

[19] There are a very small number of sites where landowners have retained a de minimis in the project.

References to international standards

[*Information referred to in Article 9*]

During the reference period, the Company enhanced its consideration of ESG within the investment process, creating an ESG due diligence questionnaire as previously described. This was developed in line with the SASB Standards, and captures sustainability indicators derived from the SFDR framework, including in relation to PAI indicators and climate screening, and the EU Taxonomy criteria for environmentally sustainable economic activities. Integration of sustainability considerations into the investment process is detailed in the Company's Sustainable Investment Policy. This is implemented by the Company's Investment Adviser, which has been a signatory to the Principles for Responsible Investment (PRI) since 2019.

Other standards utilised during the reference period include the Task Force on Climate-related Financial Disclosures (TCFD), with the Company presenting its first TCFD disclosure within its 2022 Annual Report, and the GHG Protocol Corporate Standard, used for calculation of the Company's GHG emissions. The SFDR requires the Company to disclose which of the PAI indicators will be used to assess the Company's alignment with the international standards it has chosen to adopt. Therefore, in relation to the TCFD, the indicators used by the Company to assess alignment with this framework are those related to climate, and, in particular, GHG emissions (Scope 1, 2 and 3), GHG intensity, and carbon footprint. Additionally, during the reference period, the Company engaged Anthesis Group, a sustainability consultant, to undertake a forward-looking climate scenario to assess the potential impacts of material physical and transitional climate-related risks and opportunities on the Company. As this was completed in 2023, the Company will include additional detail on the assessment within its 2023 Annual Report and 2024 PAI statement.

Looking forward, the Company has recently adopted a Sustainable Procurement Policy, Human Rights Policy, Waste Management Policy, and Supplier Code of Conduct. These policies draw upon international best practice frameworks for responsible business, including (where appropriate) the principles of the UNGC and OECD Guidelines. We expect that the PAI indicators used by the Company to assess alignment with these frameworks will be those related to social and employee matters, and in particular, a lack of processes and compliance mechanisms to monitor compliance with, and violations of, the UNGC and OECD Guidelines. The focus over the coming year will be to further embed the commitments within these policies into the Company's operations, helping ensure the Company benefits from robust management and due diligence practices.

Historical comparison

[*Information referred to in Article 10*]

This is the first year the Company has reported against the PAI indicators.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	**Adverse impact on sustainability factors (qualitative or quantitative)**	**Metric**	**Impact [year n]**	**Impact [year n-1]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
	1. Natural species and protected areas	1.Share of investments in investee companies whose operations affect threatened species 2.Share of investments in	0%; 25% of AUM covered by a biodiversity	-	The Company mapped the locations of its assets against the localities of the species referenced in the IUCN Red List and European Red List of threatened species. This assessment revealed that	In addition to its analysis of the species within the IUCN Red List and European Red List, the Company also assessed the UK-threatened species identified across its portfolio to date, to better understand the biodiversity in the locality of its assets. This

		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	policy during the reference period.		no threatened species, as defined in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139, are present in the localities of the Company's assets. As mentioned, the Company has also undertaken an EU Taxonomy assessment which determined that its portfolio is 100% aligned with the Taxonomy's sustainable investment criteria, therefore does not cause significant harm to biodiversity and ecosystems as referenced by EU Regulation 2020/852. The two non-operational battery assets were not included within the EU Taxonomy assessment but were deemed not to negatively affect threatened species during the reference period.	information will be used by the Company as part of its wider biodiversity initiatives. As described, the Company carefully manages the ecological impacts of its assets across their lifecycle, helping to minimise any negative impacts on the local environment (and enhance positive impacts where possible). Bluefield Operations Limited is working to further enhance its land management practices to help reduce impacts on local species. Examples include strategic grass cutting techniques, best practice grazing management and implementing hierarchies of control.

					The Company adopted a Biodiversity Policy in September 2022 to demonstrate its commitment to best practice biodiversity management across its portfolio.	

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Adverse sustainability impact	**Adverse impact on sustainability factors**	**Metric**	**Impact [year n]**	**Impact [year n-1]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**

	(qualitative or quantitative)					
Indicators applicable to investments in investee companies						
Human Rights	1. Lack of a human rights policy	Share of investments in entities without a human rights policy	100%	-	During the reference period, the Company's assets were not covered by a written Human Rights Policy. The Company has a Modern Slavery Statement published on its website. The Company aims to ensure that key third party service providers uphold responsible business principles, including in relation to human and social rights. Human rights considerations are integrated into investment and key third-party due diligence processes.	The Company adopted a Human Rights Policy, aligned with the UNGC and OECD guidelines, on 29 June 2023.