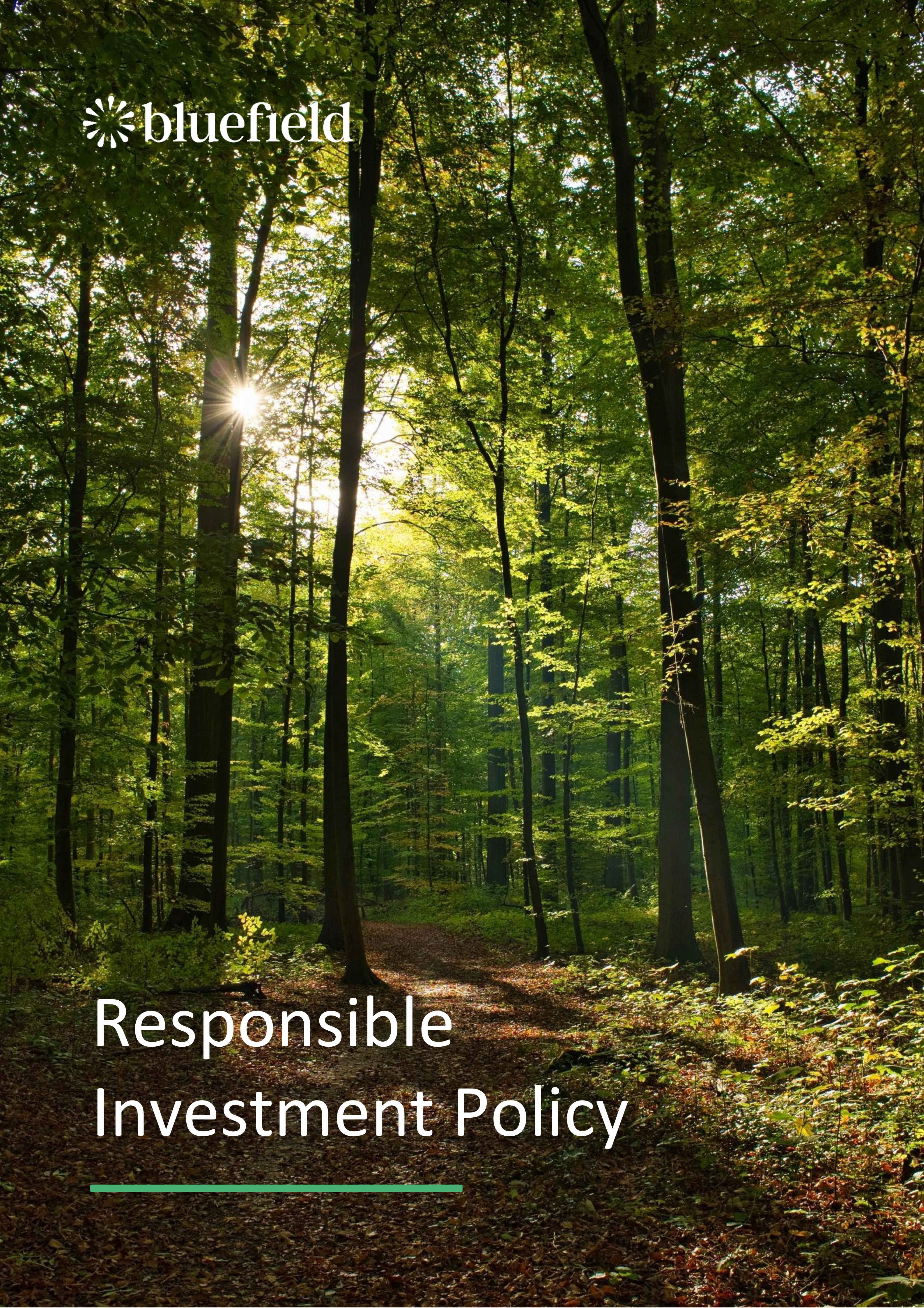


bluefield

Responsible Investment Policy

Governance

The Board of Directors of Bluefield Partners LLP and its subsidiaries (namely Bluefield Italia Srl) holds the ultimate responsibility and oversight of ESG matters, including sustainability-related risks and opportunities.

Bluefield Partners LLP takes a proactive approach to ensuring its Board and Senior Management have the appropriate skills and competencies to oversee the firm's sustainability strategies. This is achieved through ESG training, leveraging external sustainability consultants when additional expertise is required, and staying current on emerging ESG trends and frameworks.

Bluefield Partners LLP keeps its Board of Directors and Senior Management informed on sustainability-related risks and opportunities through quarterly ESG updates, ad-hoc discussions on material ESG matters, inclusion of ESG due diligence in investment papers, relaying findings from discussions with fund investors, engagement with external consultants, ESG training, and reporting on ESG commitments and targets.

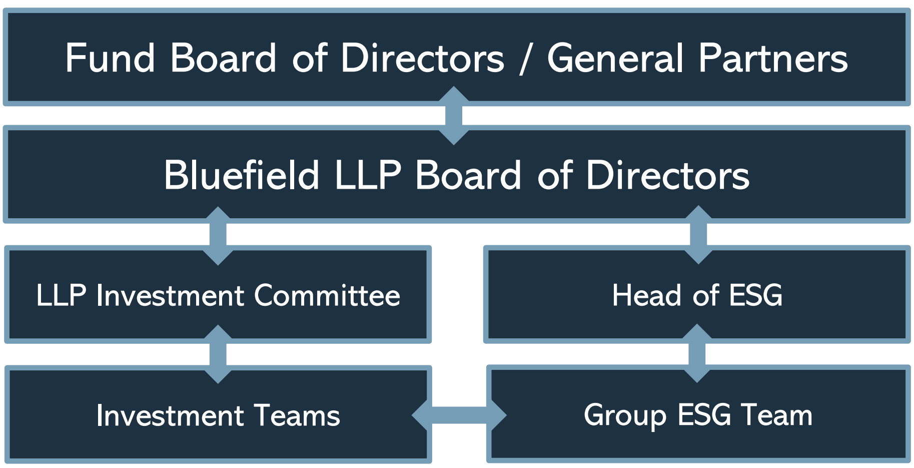
Sustainability risks and opportunities are incorporated into the Board's and Senior Management's oversight across strategy, decision-making and risk management. For long-term strategies, this includes considering ESG factors in due diligence, asset allocation, risk assessments, scenario analysis, strategy review and approval, monitoring against ESG KPIs and investor engagement.

The firm's governance approach accounts for climate-related risks/opportunities and their trade-offs when carrying out oversight, demonstrating comprehensive consideration of sustainability factors.

Bluefield Partners LLP maintains a governance structure that enables clear delegation of sustainability oversight to management while preserving active Board engagement. Specifically, the execution of ESG strategy and performance is delegated to the Head of ESG, supported by the Group ESG team. This provides dedicated management-level responsibility for coordinating firm-wide sustainability initiatives.

Additionally, investment teams integrate ESG considerations into deals under the supervision of the Investment Committee. Specialised staff roles in sustainability further support ESG programme implementation across the business. Through regular updates from the Head of ESG to the Board (or prescribed member of the Board) on sustainability topics, active Board oversight is enabled.

Bluefield Partners LLP implements procedures to support sustainability oversight, which may include pre-investment ESG checklists aligned with SASB, ESG due diligence of counterparties (where required), post-investment monitoring procedures, ESG requirements in operator contracts, and data management systems for sustainability metrics. This demonstrates a systematic approach to incorporating sustainability factors through documented policies, diligence processes, monitoring, contractual obligations, and data analysis.



Strategy

Bluefield Partners LLP is an Investment Adviser specialised in the acquisition, management, and optimisation of returns from renewable energy infrastructure assets. This strategic approach aims to provide investors with attractive returns from investments that also facilitate the clean energy transition.

Bluefield Partners LLP aligns its core investment strategy with the UN Sustainable Development Goals ("SDG"), specifically SDG #7 (Affordable and Clean Energy) and SDG #13 (Climate Action) by financing and supporting the transition to low-carbon energy sources.

Figure 1: Strategic Components

7 AFFORDABLE AND CLEAN ENERGY	**ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL**
13 CLIMATE ACTION	**TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS**

In addition, Bluefield Partners LLP is a signatory of the Principles for Responsible Investment, which is a core component of the responsible investment strategy and includes a commitment to implement the following principles:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
Principle 4: We will promote acceptance and implementation of the principles within the investment industry.
Principle 5: We will work together to enhance our effectiveness in implementing the principles.
Principle 6: We will each report on our activities and progress towards implementing the principles.

Approach

Bluefield Partners LLP works with its sister companies to deliver value through its investment strategies. The Bluefield companies' (hereon "Bluefield") approach to creating, sustaining, and maximising value is enabled by having in-house expertise across every stage of the investment cycle.

Specifically, Bluefield combines capabilities in development, investment, construction, monitoring, asset management, and operation and maintenance (O&M). This end-to-end skillset allows Bluefield to control key factors across the lifespan of investments, including deployment, pricing, quality, and long-term value creation.

Sustainability considerations are integrated within this end-to-end approach. This differs by the strategy of the investment product; the longer term the strategy, the higher the probability of risks and opportunities, so a greater degree of due diligence, engagement, and monitoring is required.

Some long-term strategies may optionally seek to align their sustainable investment objective with the EU Taxonomy or seek a regulatory status (for example, classification as an Article 8 or 9 fund under EU Sustainable Finance Disclosure Regulation). Where this is the case, additional procedures are followed as set out in the respective appendices to this policy.

Key risks and opportunities

Bluefield Partners LLP closely monitors developments in energy markets and policy to identify signals of potential change ahead of time.

In terms of policy shifts, political engagement enables advocacy for policy outcomes aligned with Bluefield Partners LLPs low-carbon investment strategy. Regulatory developments are actively tracked so potential impacts can be evaluated and prepared for. This could increase costs but support asset longevity.

Growing renewable energy demand and supportive climate policies also present growth opportunities aligned with Bluefield's business model. Climate policy support for renewables could drive growth opportunities and benefit financial performance and cash flows over the medium term. In addition, biodiversity impacts and social factors like community relations and green job creation are additional sustainability considerations. This could positively affect financial performance and cash flows in the short to medium term.

Climate change also poses physical risks, such as flooding, extreme heat, and storms that could disrupt operations. For instance, extreme heat can reduce solar panel yield and lifespan of electrical equipment.

Transitional climate risks involve changes in energy markets, policy/regulations, and technology over the assets' multi-decade lifespan. To build resilience against rising physical climate risks, preventative investments in assets can be undertaken as an adaptive measure. Fund diversification across asset fund diversification across asset types and geographies also enhances climate resilience.

Trade-offs

According to the International Sustainability Standards Board, trade-offs can arise between sustainability risks and opportunities when implementing responsible investment strategies. Bluefield carefully assesses potential trade-offs between risks and opportunities related to sustainability factors based on the specific facts and context of each situation. For example, when evaluating locations for new wind or solar farms, there may be a trade-off between sites with good renewable resources that maximise energy generation, and locations with higher biodiversity value or cultural significance to local communities. In such instances, trade-offs are carefully evaluated by both the ESG and investment teams.

This assessment considers potential impacts on biodiversity, cultural heritage, and community relations. Findings are then brought to the attention of the Investment Committee where deemed material, fostering a collaborative decision-making process that aligns with sustainable and responsible practices. These considerations align with the investment strategy; shorter-term strategies change the dynamic of trade-offs as there are limits to what can be achieved within the holding period.

Engagement strategy

Bluefield actively engages with its portfolio assets to advance sustainability goals. For its longer-term products, Bluefield Partners LLP develops a sustainability strategy with specific commitments reviewed annually. These commitments are enacted through engagement with service providers managing the fund's investments.

Key engagement activities involve undertaking climate scenario analysis to better characterise risks and inform resilience planning. There is also active consideration of potential regulatory changes, such as reporting under the International Sustainability Standards Board and disclosures under the Transition Plan Taskforce recommendations.

Additionally, Bluefield is engaged in biodiversity enhancement activities for new solar projects and conducts ongoing ecological assessments to monitor and drive progress on nature activities.

The adoption of policies on issues like human rights, procurement, and waste management enables the integration of sustainability factors into investment and asset management activities. By tracking performance on quantitative climate and sustainability KPIs, Bluefield promotes accountability against defined targets.

This multi-faceted engagement approach aims to drive continuous improvement across material sustainability factors through collaboration with service providers, who are empowered to implement Bluefield Partners LLP’s responsible investment priorities. Ongoing monitoring of products helps ensure progress is made against sustainability strategies and goals.

Risk management

Risk management is the process through which risks and opportunities, including those relating to sustainability, are identified, assessed, prioritised, and monitored.

In respect of Bluefield Partners LLP's investment activities, there are two areas of consideration: pre-investment and post-investment. The extent of procedures undertaken varies depending on the strategy of the investment product. Longer-term strategies involve a higher degree of engagement both pre- and post-investment.

Pre-investment

Screening

Bluefield Partners LLP employs a negative screening method, which excludes investments that do not align with the organisation's values, beliefs concerning specific sectors, products, or services, and its commitments towards addressing climate change.

Due diligence

For longer-term strategies, Bluefield Partners LLP has developed a due diligence questionnaire aligned with SASB standards to identify actual and potential sustainability factors at the portfolio level, with additional asset level insight pulled into the resulting due diligence report. This questionnaire identifies material sustainability risks, opportunities, and data gaps associated with potential acquisitions. It incorporates exclusionary criteria alongside focused questions related to climate change, human rights, biodiversity, and other ESG factors. Requirements of EU regulations, including the SFDR and associated Principle Adverse Impacts ('PAIs'), and the EU Taxonomy's Do Not Significant Harm criteria, are also addressed (where relevant).

This robust due diligence toolkit allows Bluefield Partners LLP to conduct thorough sustainability screening and identify key actions needed to comply with evolving ESG reporting standards. Where in-depth analysis is required, specialised third-party sustainability consultants may be engaged to supplement internal capabilities.

For short-term strategies, this process is simplified to reflect changes in the materiality of potential issues that may arise during the shorter holding period.

Post-investment

A proactive approach is taken towards addressing sustainability issues throughout the operational life of the assets. For longer-term strategies, this entails an initial focus on due diligence findings to de-risk the assets before enhancement activity to add value over the long term (typically, biodiversity developments fall into the latter categories).

Products with shorter-term strategies are typically weighted to risk mitigation, including any findings from the pre-investment process.

Monitoring is a key activity post-investment. This both tracks the resolution of risks identified pre-investment and also identifies any emerging risks. Monitoring can also track the realised benefit of any opportunities. This section is discussed in more detail in the Metrics & Targets.

By adopting this rigorous approach, Bluefield Partners LLP ensures that sustainability objectives are established and pursued, and progress is monitored and communicated.

Metrics and Targets

Monitoring

Bluefield Partners LLP recognises the importance of monitoring sustainability metrics to manage risks and gauge performance.

For long-term strategies, a wide range of metrics are monitored. These may be required by regulation, such as the PAIs under EU SFDR, or part of voluntary initiatives, such as reporting under the Taskforce on Climate-related Financial Disclosures. Metrics such as funding academic research initiatives, tracking the equivalent number of houses powered with renewable energy, and prioritising community engagement may be added outside of the formal frameworks if relevant to the investment strategy. Avoided emissions are an example of a metric that is not required in formal reporting frameworks but provide indication of the sustainability performance of the investments.

For certain products, a standalone materiality assessment may be undertaken to determine the relevant metrics to report, incorporating stakeholder views.

For larger and longer-term projects, this is an appropriate approach to metric setting. However, this is not proportionate or pragmatic for short-term strategies. In these cases, the metrics may be abridged to provide more relevant insights, based on Bluefield Partners LLP's experience.

ESG commitments are carefully considered. A number of commitments are set for longer-term strategies, which are designed to mitigate risk and maximise value. Over time, these commitments may be expanded to incorporate additional metrics. Shorter-term strategies have fewer commitments since there is a more limited opportunity to achieve them.

The setting of metrics and commitments is of key consideration through the governance process. This is kept under regular review, and metrics are subject to change to better align with the strategy at the time of review or regulatory requirements.

Appendix I - SFDR Alignment

Sustainable Finance Disclosure Regulation

For products marketed in the EU, alignment with the Sustainable Finance Disclosure Regulation ("SFDR") is required. If a strategy is within scope of the SFDR, Bluefield Partners LLP will ensure alignment via the following processes:

1. Production of required pre-contractual disclosures: setting out the characteristics of the product and determining its classification based on its sustainable investment objective.

2. Assessment of EU Taxonomy alignment: if alignment is claimed or required as part of the pre-contractual disclosures, then the process set out in the EU Taxonomy appendix (below) is followed.

3. Identify the mandatory and material optional Principle Adverse Impacts ("PAIs") and integrate into the sustainability approach of the product.

4. Identify data inputs required for PAIs and establish a monitoring process for the product (including the use of tailored templates for asset management and O&M service providers to facilitate quarterly data collection).

5. Periodically report on the required SFDR template and PAI table.

Appendix II - EU Taxonomy

Background

The EU Taxonomy sets criteria that determine if an economic activity can be deemed environmentally or socially sustainable. It also provides companies with a framework to calculate the proportion of their activities that qualify as taxonomy-aligned, as well as those that are taxonomy-eligible.

The sustainable investment objective of each strategy will identify the relevant environmental objective from the six outlined objectives in the EU Taxonomy (e.g. climate change mitigation, climate change adaptation etc). If a strategy elects to align with the EU Taxonomy, Bluefield Partners LLP will ensure that activities alignment via the following process:

EU Taxonomy Assessment

In the first instance, Bluefield Partners LLP will undertake an EU Taxonomy assessment to determine whether the activities align with the EU Taxonomy criteria.

The assessment will be conducted in three parts:

1. Economy Activity:

a. Assessment of the economic activities' eligibility under the EU Taxonomy regulation, including consideration of financial information such as Revenue, CapEx and OpEx.

b. Determine, using Technical Screening Criteria ("TSC"), the substantial contribution of the activities to one of the six environmental objectives (namely climate change mitigation or climate change adaptation).

2. Do No Significant Harm:

a. Assessment of whether the economic activities 'do not significantly harm' the remaining five environmental objectives against the do no significant harm criteria set out in the TSC.

3**. Minimum Safeguards:**

a. Verify that the fund adheres to minimum social safeguards (e.g Human Rights policies, Anti-slavery policies etc.)

b. In the application of minimum safeguards, apply the guidance set out in the EU Commission's Final Report of Minimum Safeguards published by the Platform on Sustainable Finance[1]

Pre-investment Due Diligence

Checks are undertaken as part of pre-investment due diligence to ascertain whether a target substantially contributes to the relevant economic activity, as well as an assessment of the targets alignment with the do no significant harm criteria and minimum safeguards. External consultants may be engaged to undertake this due diligence where necessary.

Ongoing Alignment

For EU Taxonomy-aligned strategies, do no significant harm and minimum social safeguards criteria are considered within the sustainability approach of the fund. Related commitments and metrics may be developed, to help ensure increasing alignment with the EU Taxonomy criteria over time.

[1] Final Report on Minimum Safeguards (europa.eu)

Contact

For further information:

info@bluefieldllp.com

6 New Street Square
London, EC4A 3BF