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Downing
Renewable Developments

Biodiversity Net Gain Strategies

Accelerating the Transition to Net Zero.

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Biodiversity Net Gain Strategy

Committed to making positive and ethical decisions

Ethical Development

We are committed to making positive and ethical decisions to improve and protect the biodiversity across our sites. We see natural capital as an asset with a value that should be protected. Ethical Land Use that helps to achieve national net zero goals and fight climate change.

It is important we ensure that our project provides benefit to the site and local communities. Biodiversity Net Gain (BNG) is a measure of a site's positive ecological impact, which is a key factor in the development of our projects. We look to undertake a BNG baseline calculation for the all the development sites, culminating in a BNG Strategy to enhance the ecological value of the development whilst not compromising operation functionality.

Our BNG strategy would be developed using well-established ecological concepts (functionality, population viability, connectivity, networks), through a systematic, transparent and repeatable process aimed at enhancing biodiversity above and beyond providing for a no net loss through avoidance, mitigation and compensation (i.e. through the mitigation hierarchy).

Our strategy would look to embed biodiversity, ecosystem services and Natural Capital accounting from the outset, taking account of the wider landscape/populations and incorporating mechanisms to maintain viable populations long-term, particularly in the face of changing climate. We would aim to meet the individual needs of the immediate and surrounding area, focussing on innovation and seeking opportunities for the integration of ecology into the scheme design from the outset, to engender multiple benefits for wildlife and people.

This is part of the wider Downing approach to responsible investment, beginning with investment integration through ESG scorecards and a dedicated section on these for nature and biodiversity impacts.

All this contributes to Target 14 of the Kunming-Montreal Global Biodiversity Framework and integrating biodiversity into investment decision making.

Solar farms represent an unusual situation whereby the opportunities for wildlife generally outweigh the constraints. Consideration of net gains from the outset results in sizeable and measurable benefits, not just in terms of renewable energy provision but also around mean species abundance measures of pollinator increase, floristic diversity, strengthening of connectivity through boundary features, and incorporation of biodiversity into design.

We will provide site specific management and ecological mitigation measures to ensure on-site BNG. These will be confirmed and consulted on as part of the planning application process.

Following construction, there is little human activity apart from occasional maintenance visits. We also believe that the most effective BNG strategies are those that are developed through engagement with the local community, the landowner and local and national conservation organisations. Mitigation and enhancement measures for the site would focus on the promotion of linkages with existing habitats and their associated species assemblages, whilst also promoting wider net gains in biodiversity through functional connectivity with the wider landscape. Stewardship - including for nature - is a core part of the wider Downing approach to responsible investment.

THE GLOBAL COMPACT
WE SUPPORT

Signatory of:

PRI Principles for Responsible Investment

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How we Integrate Nature

We would integrate BNG into project planning and delivery from inception and the following sequential steps indicate how we would:

- Establish awareness and understanding of BNG among all members of project teams.
- Engage an ecologist at an early stage in the development and seek advice on matters contributing to effective and sustainable BNG, including avoiding and minimising ecological harm and creating a landscape rich in biodiversity and green infrastructure.
- Obtain adequate pre-development baseline data, likely to involve an ecology survey of the site to record the types and condition of habitats present, and confirm pre-development biodiversity units.
- Develop an outline masterplan, and test design by calculating preliminary post-development biodiversity units.
- If necessary, revise masterplan in response to the initial calculation and test subsequent iterations of the master plan.
- Prepare a landscape and ecology management plan or similar, to address requirements for ongoing management.
- Carry out compliance checks during and on completion of construction.
- Ensure clear handover of responsibility for maintenance from developer to the management company.
- Implement and monitor habitat management.
- Revise management plan if necessary, to ensure BNG is sustained.

Effective communication is key to the success of our projects, with careful collaboration with designs teams within projects enables ecology to be encompassed within the built and landscape design, which enviably reduces costs and time when the two can be delivered together.

We are following implementation of the Taskforce on Nature-related Financial Disclosures (“TNFD”) for future reporting on progress of this strategy and the approach to locate, evaluate, assess, prepare (“LEAP”) for nature impacts..

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Some of the BNG improvements we have implemented on some of our developments and would look to implement on our future sites are:

- We install **Bee Hotels** that provide one of the most recognisable ecosystem services - pollination.
- **Log piles** are another way to support a wide range of flora and fauna including moss, fungi, insects and small mammals.
- We will **plant wildflowers** providing bees, butterflies and other pollinators with food sources.
- Installing **bird and bat boxes** and encouraging sheep grazing are other ways to have a positive ecological impact.
- We will look to screen the solar farm around the boundary with **natural hedgerows and trees** which will mitigate any visual impacts. We will carefully choose the species of trees or hedge to suit the surrounding landscape and a native species to the local area.
- **Wildflower meadow** will be planted within the site which is likely to be of a higher biodiversity value compared to the existing agriculture crop.
- We would develop the solar farm while **avoiding interference** with existing priority habitats and protected species that are found on site.


We encourage hybrid land use with sheep grazing


Wildflower meadows


Bird & bat boxes


Bee hotels to support pollination

Community Engagement

Community Engagement is the most important aspect of our projects. This why we make financial contributions to the local communities we work with, host school trips to our new sites and hold regular public information sessions to hear the views of our community partners.

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Fair Park Solar Farm BNG Example

We have established an in-house renewable energy project development business, focused on building a pipeline of renewable energy assets across the UK and Northern Europe. These projects will be offered exclusively to Downing managed funds and vehicles. The business is looking to create a strong pipeline that generates an annual investment quantum of around £100 million.

The Downing Renewable Developments (DRD) team has been running since July 2021 and sits within the wider Energy & Infrastructure Team (E&I), which is within the Downing LLP parent company. The Team is responsible for identifying potential renewable energy sites, undertaking feasibility studies (in particular for grid, technical, planning and land) and then taking suitable sites through a formal planning permission process.

As part of the formal planning application for Fair Park Solar Farm a BNG Assessment of the proposed development zone at Fair Park located in Ladock, Cornwall was undertaken by RSK Wilding. The development involved the installation of a solar farm, comprising solar panels, a battery storage area and electrical infrastructure across an area of 85ha of agricultural land.

A UK Habitat (UKHab) survey was undertaken at the site in July 2022, to provide a baseline measure of the biodiversity value using the Defra Biodiversity Metric, version 3.1. The existing on-site area was found to comprise a total of five different habitats (arable cropland, grassland, woodland, scrub and artificial surfaces) with an on-site baseline of 152.19 habitat area biodvisity units (BUs'), two terrestrial linear habitat types (native hedgerows associated with a ditch and a line of trees associated with a ditch) with a baseline of 20.70 terrestrial linear habitat units, and one aquatic linear habitat type (ditches) with a baseline of 0.78 aquatic linear habitat units.

Ethical Development

We're committed to making positive and ethical decisions to improve local environments and communities.

Biodiversity Net Gain

Is a key factor in the development of our projects which serves to benefit the site through having a positive ecological impact.

Community Engagement

Maintaining a positive relationship with our projects local communities is key to all of our developments.

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The total area of retained habitat receiving no baseline intervention is 0.98ha. Habitat area that is receiving creation and/or enhancement measures as part of the offset is 63.5ha of land beneath the solar panels. The total length of terrestrial habitat receiving no baseline intervention is 0.00km. The total length of aquatic habitat receiving no baseline intervention is 0.04km.

On-site habitat area creation will include the conversion 63.5ha of cropland into other neutral grassland of 'good' condition beneath the solar panels. Terrestrial linear habitat enhancement will include 2.23km of existing native hedgerow from a baseline of 'moderate' condition to postintervention of 'good' condition. Aquatic linear habitat enhancement will include 0.13km of existing ditches from a baseline of 'poor' condition to post-intervention of 'moderate' condition.

Off-Site habitat enhancement will include the conversion of 2.8ha of arable cropland into arable margins with pollen and nectar sources to deliver a net gain. Additionally, off-Site habitat area creation will include the conversion of 12.75ha of cropland into other neutral grassland.

The biodiversity assessment concludes that the current proposed development will result in a combined net change of 226.07 habitat area units (comprising a 148.54% net gain), a net change of 9.55 linear terrestrial units (comprising a 46.15% net gain) and net change of 0.35 linear aquatic units (comprising a 44.43% net gain). Overall, a substantial net gain in biodiversity.

To create other neutral grassland, native grass seed mixes are to be sown requiring a low maintenance regime going forward. To enhance arable cropland to arable margins, a wildflower pollen and nectar seed mix is to be sown. To enhance the native hedgerows on-site, flailing and cutting management is to be reduced to ensure a variety of hedgerow species remain present. To enhance ditches on-site, vegetation shade levels and water quality are to be addressed and improved.

148%

Increase in Habitat units

46.15%

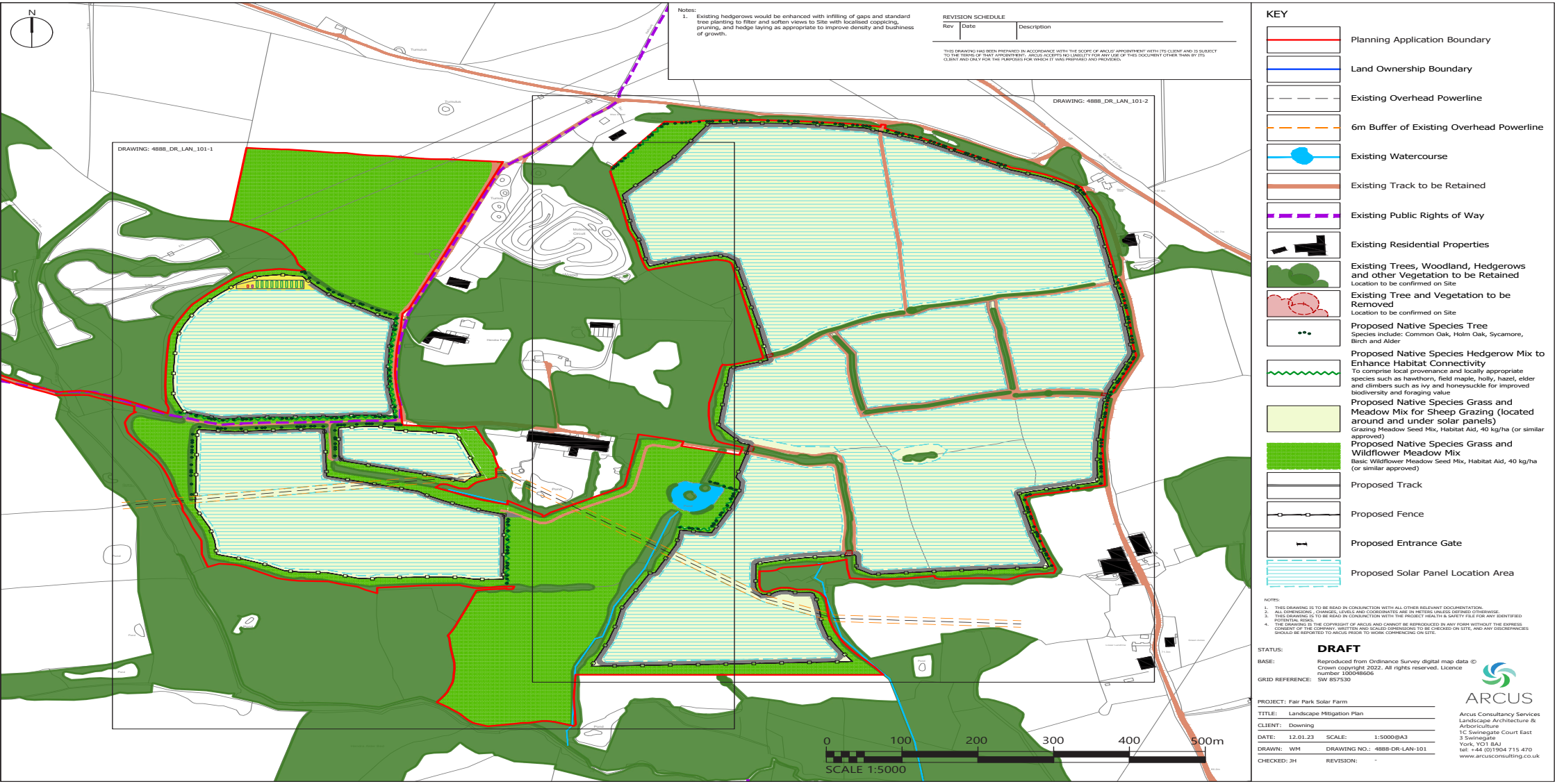
Increase in Hedgerow (terrestrial) units

44.43%

Increase in River (aquatic) units

Fair Park Solar Farm BNG

49.9MW	85 hectare	148%
Installed Solar Capacity	Development footprint	Biodiversity Net Gain



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Sustainability at Downing

Downing is committed to a sustainable investment approach and a cleaner greener future

Actively identifying, considering, monitoring, and managing Environmental Social Governance (ESG) factors throughout the development and investment process and throughout the period of our ownership enables us to protect and create value for our investors and communities.

Commitments and signatories

Downing is committed to a number of frameworks and principles linked to ESG:

- UN Principles for Responsible Investment.
- DORE was awarded the Green Economic Mark by the London Stock Exchange (LSE) when it listed in December 2020 and was designated an SFDR article 9 compliant fund in September 2021.
- September 2021, Downing was accepted as a signatory of the Financial Reporting Council's Stewardship Code.

Downing B Corporation Status

Downing LLP has been certified as a B Corporation (B Corp), joining a group of companies committed to people and planet, as well as profit.

The certification means Downing LLP has been recognised by B Lab, the not-for-profit network, for meeting high standards of social and environmental performance, accountability and transparency.

The process evaluates a company using more than 200 criteria across five categories: governance, environment, workers, community and customers.

"A proper environmental strategy should consider the complexities of natural capital plus climate change, Net Zero, air, water, carbon and waste as one framework rather than individual, siloed solutions. And for investors this means aligning financial flows, particularly referencing the Global Biodiversity Framework. This strategy is a good example of real-world actions for positive outcomes."

Roger Lewis
Head of Responsible Investment at Downing LLP

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Environmental, Social and Corporate Governance

As part of our pre-investment due diligence, an ESG scorecard is completed for all assets to integrate material factors to the investment decision. This assesses all E, S and G factors, including stakeholders & suppliers: whether they have an engagement programme (e.g. with communities) and their own ESG, whereby the best answer is: “Comprehensive supply chain engagement programme – identifying, planning, action plan, implementation, review, feedback, risk identification (such as child or forced labour, corruption, ethics etc.). Results then feed into ongoing engagement activities.

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