



## **PUBLIC TRANSPARENCY REPORT**

**2023**

**Gresham House plc**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| SLS 1     | CORE              | N/A          | N/A        | PUBLIC     | Senior Leadership Statement | GENERAL       |

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Gresham House's corporate purpose is to deliver effective and alternative investment solutions to help clients achieve their financial objectives while contributing towards the transition to a more sustainable economy.

Our corporate purpose is underpinned by four core beliefs:

1. Asset management has a critical role to play in the world's transition to a more sustainable economy.
2. The transition to a more sustainable economy will create compelling alternative investment opportunities.
3. Incorporating sustainability factors into investment decision-making protects value and drives resilience for all stakeholders.
4. Investors increasingly seek opportunities with the potential for both financial and ESG returns.

We have set a strategic objective to become a recognised leader in sustainable investment (SI), which relies on and includes the application and management ESG integration, engagement and voting. We strongly believe that these aspects of sustainable investment are central to the future growth of our business.

This strategic objective is supported by our Corporate Sustainability Strategy which aims to identify underlying objectives, as well as set out the actions we will take to meet our sustainability goals. It is shaped around three interconnected and mutually reinforcing pillars, based on our roles as an organisation. It distinguishes clearly between our approach to sustainability within our investments, Gresham House as a Sustainable Investor, and that of our own operations and business, Gresham House as a Sustainable Employer and Business.

Our approach as a Sustainable Investor is embedded across our business and involves ESG analysis, active stewardship, and outcome measurement. Our commitment is demonstrated through the integration of sustainable investment practices across all of our strategies. We believe that understanding and, wherever possible, improving, ESG performance drives long-term value, and we aim to work proactively with management teams and key stakeholders to make positive change over time. Many of our asset classes meet clients' financial objectives and aim to positively contribute towards environmental and social solutions, for example:

- Our New Energy assets support the transition to a low carbon economy.
- Our Forestry assets provide natural resources that can replace high carbon emitting industries.
- Our Sustainable Infrastructure division has built and invested in innovative agricultural practices, biodiversity net gain solutions, waste-to-energy infrastructure and businesses supporting digital inclusion.
- Our Real Estate division is focused on addressing different aspects of the UK's housing crisis, including constrained affordability, undersupply and energy efficiency.

ESG analysis is incorporated into our selection, evaluation, governance and engagement processes across the lifecycle of every investment process and across all divisions. In addition, stewardship activities, including engagement and voting, form a key part of our investment processes and we are active shareholders of the businesses we invest in. Our approach to ESG integration, engagement and voting (where applicable) activities is applied consistently across all our asset classes and strategies.

Our approach to sustainable investment is governed by the following commitments:

- Take steps to consult and understand the views, concerns and ambitions of our stakeholders in seeking sustainable outcomes from the investments we are involved in.
- Integrate Environmental, Social, Governance and economic benefit considerations into our selection, evaluation, governance and engagement processes across the lifecycle of each investment.
- Ensure our staff understand the imperative for effective ESG management and is empowered and equipped to carry this out through management support and training.
- Conduct regular monitoring of ESG risks, opportunities and performance in our investments and over time, reporting to our investors.
- Conduct our business activities in line with the UN-supported Principles for Responsible Investment, including an annual report on our progress towards implementation.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

The following outlines some of the progress we made in 2022 against one of the three pillars of our Corporate Sustainability Strategy; Gresham House as a Sustainable Investor. These achievements are grouped according to our six priority investment topics, and include:

- Commitment to Sustainability: Mapped our investments against our internal Gresham House Spectrum of Capital which clearly defines which investment products we characterise internally as responsible, sustainable or impact. The Group grew its sustainable AUM by 22% from 2021 and both its impact and sustainable AUM increased as a proportion of total Group assets under management. We also developed a Gresham House impact investment framework based on the Impact Frontiers and applied this to all Sustainable Infrastructure mandates.
- Risk and compliance: data, systems and reporting: Work commenced to gather ESG data across all investment divisions, following the finalisation of ESG KPI banks last year.

- Governance & Ethics: engaged and active ownership: Developed a formal engagement strategy for our Public Equity investment teams with the aim of enabling improved monitoring of engagement activities and outcomes. In other divisions, we introduced an engagement record to better track stakeholder engagement activities carried out by all investment teams in terms of stakeholder engagement including with regulators, industry associations and suppliers.
- Climate change and other pollution: We worked with a specialist consultant in 2022 to calculate the emissions of all our investments for financial years 2021 and 2022. The results are included in our first standalone TCFD report and will provide a baseline for the setting of a science-based net zero target.
- Natural capital: We started work with our New Energy and Real Estate divisions to understand implications of the Biodiversity Regulation expected in the autumn of 2023 and are working to prepare for compliance ahead of the final publication. Our Sustainable Infrastructure division continued to drive forward the innovative market for biodiversity net gain credits in the UK by supporting its investment in Environment Bank Ltd, a pioneer in the creation of biodiversity units. Our Forestry business conducted its second biodiversity survey of managed forests in the UK.
- Supply chain sustainability: We sent a second iteration of our Modern Slavery Questionnaire to all New Energy suppliers, expanding the scope from solar suppliers to the suppliers of all main New Energy components.

#### Real world outcomes

- Reducing atmospheric carbon emissions to combat climate change: our Forestry division planted 2.4mn new trees, while 175,000 hectares of forestry were managed sustainably and 1.9mn tCO<sub>2</sub> were sequestered by our forests.
- Decarbonising energy systems to combat climate change: 125MW of new battery energy storage systems (BESS) were developed by our New Energy division, while 510,291 tCO<sub>2</sub> was avoided by our BESS portfolio of 550MW.
- Reversing nature loss: Our Sustainable Infrastructure division began work on developing 13 habitat banks, equating to 330 hectares of biodiversity-rich land.
- Funding new homes to improve the UK's Housing supply: we completed 253 new homes and committed to funding a further 634 homes.

#### Industry bodies

- In 2022 we continued to play an industry leadership role through our participation in industry bodies, sustainable finance consultations and thought leadership opportunities. This includes work with the UK Sustainable Investment and Finance Association (UKSIF) on the formation of the UK's Sustainability Disclosure Requirements (SDR) and IFRS International Sustainability Standards Board's (ISSB) baseline sustainability-related disclosure standards. We also continued as members of the Green Taxonomy Working Group.
- We contributed to the formation of the Just Transition Finance Challenge, which aims to mobilise more public and private capital into investments that support a Just Transition to Net Zero in the UK and other developed and emerging markets.
- Representatives from our Housing strategy participated in workshops with The Good Economy and Big Society Capital to contribute towards the development of the Equity Impact Project (EIP). The EIP has developed a set of globally aligned standards for equity investments in social and affordable housing.

#### Certifications

- Stewardship Code: Gresham House met the expected standard of reporting for 2021 and remained a signatory to the UK Stewardship Code 2020 for the second year in a row.
- Green Economy Mark: awarded the Green Economy Mark by the London Stock Exchange, which recognises the company's commitment to making investments which contribute to a green economy.
- UN-supported Principles of Responsible Investment: For our 2021 PRI Report, we have been awarded 4 and 5 stars, out of a maximum of 5 stars, for all modules relevant to Gresham House plc.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

The following details some of our objectives for the next two years for one of the three pillars of our Corporate Sustainability Strategy, Gresham House as a Sustainable Investor. These objectives are grouped according to our six priority investment topics:

- Commitment to Sustainability: Work towards UK Sustainability Disclosure Requirements (SDR) alignment across all funds when it comes into force; have a suite of investment products and capabilities across the sustainable and impact investment spectrum in place for clients.
- Risk and compliance: data, systems and reporting: continue to develop internal ESG data systems to support ESG data requirements; put in place best-in-class Sustainability and Impact Assessment & Reporting Frameworks for all strategies covering positive and negative outcomes.
- Governance & Ethics: engaged and active ownership: Update our Group Engagement & Voting Policy to reflect our ambition to be a leader in sustainable investment and our Corporate Sustainability Strategy objectives in our voting decisions.
- Climate change and other pollution: Work through legal and investor implications of setting science-based targets and make a commitment to set a science-based net-zero target for our investments.
- Natural capital: Publish a Gresham House Natural Capital Policy, defining natural capital and our approach to natural capital investment; assess and report on natural capital across investments in all divisions in line with selected framework.
- Supply chain sustainability: Update or create Real Asset division Supply Chain Policies; ensure all suppliers, including contractors, commit to respect basic labour rights in line with ILO standards. We will adjust our policies to reflect these requirements.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Anthony Dalwood

Position

CEO

Organisation's Name

Gresham House plc

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework.

The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B



The Senior Leadership Statement is simply provided as a general overview of Gresham House's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgment and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions. In particular, the information contained herein should not be construed as an invitation, offer or recommendation to buy or sell investments, shares or securities or to form the basis of a contract to be relied on in any way. Gresham House provides no guarantees, representations or warranties regarding the accuracy of this information. No liability is accepted by Gresham House, its members and employees, or its affiliates and their directors, in respect of any information contained herein. This document is provided for the purpose of information only. Investors are reminded that past performance is not indicative of future results. No person, especially those who do not have professional experience in matters relating to investments, must rely on the contents of this document.

# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| OO 1      | CORE              | N/A          | N/A        | PUBLIC     | Reporting year | GENERAL       |

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

|                                                                  | Date | Month | Year |
|------------------------------------------------------------------|------|-------|------|
| Year-end date of the 12-month period for PRI reporting purposes: | 31   | 12    | 2022 |

## SUBSIDIARY INFORMATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| OO 2      | CORE              | N/A          | OO 2.1     | PUBLIC     | Subsidiary information | GENERAL       |

Does your organisation have subsidiaries?

- (A) Yes
- (B) No



# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection        | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| OO 4      | CORE              | OO 3         | N/A        | PUBLIC     | All asset classes | GENERAL       |

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 9,461,316,621.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

**Additional information on the exchange rate used: (Voluntary)**

GBPUSD at 30-Dec of 1.2056

## ASSET BREAKDOWN

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection      | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-----------------|---------------|
| OO 5      | CORE              | OO 3         | Multiple indicators | PUBLIC     | Asset breakdown | GENERAL       |

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

|                       | (1) Percentage of Internally managed AUM | (2) Percentage of Externally managed AUM |
|-----------------------|------------------------------------------|------------------------------------------|
| (A) Listed equity     | 13.5%                                    | 0%                                       |
| (B) Fixed income      | 0%                                       | 0%                                       |
| (C) Private equity    | 10.1%                                    | 0%                                       |
| (D) Real estate       | 10%                                      | 0%                                       |
| (E) Infrastructure    | 22.8%                                    | 0%                                       |
| (F) Hedge funds       | 0%                                       | 0%                                       |
| (G) Forestry          | 43.6%                                    | 0%                                       |
| (H) Farmland          | 0%                                       | 0%                                       |
| (I) Other             | 0%                                       | 0%                                       |
| (J) Off-balance sheet | 0%                                       | 0%                                       |

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------------------------------------|---------------|
| OO 5.3 LE | CORE              | OO 5         | Multiple   | PUBLIC     | Asset breakdown:<br>Internally managed<br>listed equity | GENERAL       |

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental 100%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED PRIVATE EQUITY

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                               | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------------------------|---------------|
| OO 5.3 PE | CORE              | OO 5         | N/A        | PUBLIC     | Asset breakdown:<br>Internally managed<br>private equity | GENERAL       |

**Provide a further breakdown of your internally managed private equity AUM.**

(A) Venture capital 13%

(B) Growth capital 73%

(C) (Leveraged) buy-out 14%

(D) Distressed, turnaround or  
special situations 0%

(E) Secondaries 0%

(F) Other 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                            | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------------------------------|---------------|
| OO 5.3 RE | CORE              | OO 5         | N/A        | PUBLIC     | Asset breakdown:<br>Internally managed<br>real estate | GENERAL       |

**Provide a further breakdown of your internally managed real estate AUM.**

(A) Retail 9.1%

(B) Office 19.9%

(C) Industrial 9.5%

(D) Residential 61.5%

(E) Hotel 0%

(F) Lodging, leisure and recreation 0%

(G) Education 0%

(H) Technology or science 0%

(I) Healthcare 0%

(J) Mixed use 0%

(K) Other 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED INFRASTRUCTURE

| Indicator  | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                               | PRI Principle |
|------------|-------------------|--------------|------------|------------|----------------------------------------------------------|---------------|
| OO 5.3 INF | CORE              | OO 5         | N/A        | PUBLIC     | Asset breakdown:<br>Internally managed<br>infrastructure | GENERAL       |

**Provide a further breakdown of your internally managed infrastructure AUM.**

(A) Data infrastructure 10%

(B) Diversified 3%

(C) Energy and water resources 7%

(D) Environmental services 2%

(E) Network utilities 0%

(F) Power generation (excl.  
renewables) 0%

(G) Renewable power 31%

(H) Social infrastructure 1%

(I) Transport 0%

(J) Other 46%

**(J) Other - Specify:**

Battery energy storage systems

## GEOGRAPHICAL BREAKDOWN

| Indicator | Type of indicator | Dependent on           | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|------------------------|------------|------------|------------------------|---------------|
| OO 7      | CORE              | Multiple, see guidance | N/A        | PUBLIC     | Geographical breakdown | GENERAL       |

How much of your AUM in each asset class is invested in emerging markets and developing economies?

### AUM in Emerging Markets and Developing Economies

|                    |        |
|--------------------|--------|
| (A) Listed equity  | (1) 0% |
| (F) Private equity | (1) 0% |
| (G) Real estate    | (1) 0% |
| (H) Infrastructure | (1) 0% |

## STEWARDSHIP

### STEWARDSHIP

| Indicator | Type of indicator | Dependent on           | Gateway to          | Disclosure | Subsection  | PRI Principle |
|-----------|-------------------|------------------------|---------------------|------------|-------------|---------------|
| OO 8      | CORE              | Multiple, see guidance | Multiple indicators | PUBLIC     | Stewardship | GENERAL       |

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

|                                    | (1) Listed equity - active          | (5) Private equity                  | (6) Real estate                     | (7) Infrastructure                  | (9) Forestry                        |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) Yes, through internal staff    | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Yes, through service providers | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (C) Yes, through external managers | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (D) We do not conduct stewardship  | <input type="radio"/>               | <input type="radio"/>               | <input type="radio"/>               | <input type="radio"/>               | <input type="radio"/>               |

## STEWARDSHIP: (PROXY) VOTING

| Indicator | Type of indicator | Dependent on           | Gateway to          | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|------------------------|---------------------|------------|-----------------------------|---------------|
| OO 9      | CORE              | Multiple, see guidance | Multiple indicators | PUBLIC     | Stewardship: (Proxy) voting | GENERAL       |

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

### (1) Listed equity - active

|                                      |                                     |
|--------------------------------------|-------------------------------------|
| (A) Yes, through internal staff      | <input checked="" type="checkbox"/> |
| (B) Yes, through service providers   | <input checked="" type="checkbox"/> |
| (C) Yes, through external managers   | <input type="checkbox"/>            |
| (D) We do not conduct (proxy) voting | <input type="radio"/>               |



| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                     | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--------------------------------|---------------|
| OO 9.1    | CORE              | OO 9         | PGS 10.1,<br>PGS 31 | PUBLIC     | Stewardship:<br>(Proxy) voting | GENERAL       |

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(11) >90 to <100%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

| Indicator | Type of indicator | Dependent on              | Gateway to             | Disclosure | Subsection                   | PRI Principle |
|-----------|-------------------|---------------------------|------------------------|------------|------------------------------|---------------|
| OO 11     | CORE              | Multiple, see<br>guidance | Multiple<br>indicators | PUBLIC     | Internally<br>managed assets | 1             |

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(C) Listed equity - active - fundamental

(I) Private equity

(J) Real estate

(K) Infrastructure

(T) Forestry

## ESG IN OTHER ASSET CLASSES

| Indicator | Type of indicator | Dependent on    | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|-----------------|------------|------------|----------------------------|---------------|
| OO 15     | CORE              | OO 11, OO 12–14 | N/A        | PUBLIC     | ESG in other asset classes | 1             |

### Describe how your organisation incorporates ESG factors into the following asset classes.

#### Internally managed (A) Forestry

Our Forestry investments are very long term in nature and through our management approach we proactively set out to improve the value and lifespan of assets through sustainable forestry management. We integrate ESG considerations into the lifecycle of each investment as follows:

1 Sourcing: High-quality commercial forests across diversified age groups are sourced both on and off market. Various characteristics are assessed including geographical location, species mix, size, growth rates, local conservation, or species protection designations, and for new planting sites detailed surveys, including notably peat surveys, will check the land is appropriate for forestry.

2 Due diligence: The acquisition team conducts a rigorous and consistent multi-disciplinary due diligence acquisition process targeting high-quality productive forests across diversified age groups and geographies. Each forest is evaluated using the ESG Decision Tool to uncover material ESG risks and opportunities. This includes an assessment of whether a forest meets our internal sustainability commitments and can be certified to international and/or national certification standards. Where possible, we will carry out site visits to verify that the due diligence assessment aligns with the data collected onsite. In addition, third party specialists are often employed to measure the volume of timber currently available on site, or in the case of new planting an indicative forest design will be prepared setting out where and what can be planted, whilst other surveys will be completed for new planting schemes to assess a wide range of characteristics including bird populations, archaeology sites and peat levels.

3 Acquisition: The Investment Committee must approve investment proposals. A summary of the ESG analysis is included in every Investment Committee submission. Once the Investment Committee has approved a proposal, an offer is submitted. If the offer is accepted, an acquisition report providing all the key details of the acquisition (including a section on ESG) is produced and is then sent to the client. In the meantime, the conveyancing is carried out by lawyers who prepare a report on title. We provide oversight of the entire transaction.

4 Ongoing management: We will work closely with forest managers to ensure forest plans are observed and achieved within expected timescales. Forest management plans include plans for how material ESG aspects will be managed over the project lifecycle. Our certified sites are independently assessed by the appointed auditors, and we conduct our own checks against agreed standards, internal commitments and management objectives. Carbon captured by our forests is also monitored. Once the timber is harvested, we ensure that replanting is carried out in line with required standards.

# ESG STRATEGIES

## LISTED EQUITY

| Indicator | Type of indicator | Dependent on | Gateway to        | Disclosure | Subsection    | PRI Principle |
|-----------|-------------------|--------------|-------------------|------------|---------------|---------------|
| OO 17 LE  | CORE              | OO 11        | OO 17.1 LE, LE 12 | PUBLIC     | Listed equity | 1             |

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

|                                   |     |
|-----------------------------------|-----|
| (A) Screening alone               | 0%  |
| (B) Thematic alone                | 0%  |
| (C) Integration alone             | 96% |
| (D) Screening and integration     | 0%  |
| (E) Thematic and integration      | 0%  |
| (F) Screening and thematic        | 0%  |
| (G) All three approaches combined | 4%  |
| (H) None                          | 0%  |

| Indicator  | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection    | PRI Principle |
|------------|-------------------|--------------|------------|------------|---------------|---------------|
| OO 17.1 LE | CORE              | OO 17 LE     | LE 9       | PUBLIC     | Listed equity | 1             |

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

Percentage coverage out of your total listed equity assets where a screening approach is applied

|                                           |      |
|-------------------------------------------|------|
| (A) Positive/best-in-class screening only | 0%   |
| (B) Negative screening only               | 100% |
| (C) A combination of screening approaches | 0%   |

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18     | CORE              | OO 11–14     | OO 18.1    | PUBLIC     | Labelling and marketing | 1             |

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

76.3%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

Real Assets divisions

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18.1   | CORE              | OO 18        | OO 18.2    | PUBLIC     | Labelling and marketing | 1             |

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

44%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18.2   | CORE              | OO 18.1      | N/A        | PUBLIC     | Labelling and marketing | 1             |

#### Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)
- (AH) Other

Specify:

Forestry Stewardship Council

# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

| Indicator | Type of indicator | Dependent on        | Gateway to          | Disclosure | Subsection                        | PRI Principle |
|-----------|-------------------|---------------------|---------------------|------------|-----------------------------------|---------------|
| OO 21     | CORE              | Multiple indicators | Multiple indicators | PUBLIC     | Summary of reporting requirements | GENERAL       |

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

| Applicable modules                       | (1) Mandatory to report (pre-filled based on previous responses) | (2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module | (2.2) Voluntary to report. No, I want to opt-out of reporting on the module |
|------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Policy, Governance and Strategy          | <input checked="" type="radio"/>                                 | <input type="radio"/>                                                       | <input type="radio"/>                                                       |
| Confidence Building Measures             | <input checked="" type="radio"/>                                 | <input type="radio"/>                                                       | <input type="radio"/>                                                       |
| (C) Listed equity – active – fundamental | <input checked="" type="radio"/>                                 | <input type="radio"/>                                                       | <input type="radio"/>                                                       |
| (I) Private equity                       | <input checked="" type="radio"/>                                 | <input type="radio"/>                                                       | <input type="radio"/>                                                       |
| (J) Real estate                          | <input checked="" type="radio"/>                                 | <input type="radio"/>                                                       | <input type="radio"/>                                                       |
| (K) Infrastructure                       | <input checked="" type="radio"/>                                 | <input type="radio"/>                                                       | <input type="radio"/>                                                       |

## OTHER ASSET BREAKDOWNS

### PRIVATE EQUITY: SECTORS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 22     | CORE              | OO 21        | N/A        | PUBLIC     | Private equity: Sectors | GENERAL       |

In which sector(s) are your internally managed private equity assets invested?

- (A) Energy
- (B) Materials
- (C) Industrials
- (D) Consumer discretionary
- (E) Consumer staples
- (F) Healthcare
- (G) Financials
- (H) Information technology
- (I) Communication services
- (J) Utilities
- (K) Real estate

### PRIVATE EQUITY: OWNERSHIP LEVEL

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                      | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------------|---------------|
| OO 23     | CORE              | OO 21        | N/A        | PUBLIC     | Private equity: Ownership level | GENERAL       |

What is the percentage breakdown of your internally managed private equity investments by the level of ownership?

- (A) A majority stake (more than 50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
- (B) A significant minority stake (between 10–50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75%
- (C) A limited minority stake (less than 10%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%



## REAL ESTATE: BUILDING TYPE

| Indicator | Type of indicator | Dependent on | Gateway to      | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|-----------------|------------|----------------------------|---------------|
| OO 24     | CORE              | OO 21        | RE 1, RE 9 - 10 | PUBLIC     | Real estate: Building type | GENERAL       |

What is the building type of your physical real estate assets?

- (A) Standing investments
- (B) New construction
- (C) Major renovation

## REAL ESTATE: OWNERSHIP LEVEL

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                   | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------|---------------|
| OO 25     | CORE              | OO 21        | N/A        | PUBLIC     | Real estate: Ownership level | GENERAL       |

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- (A) A majority stake (more than 50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75%
- (B) A significant minority stake (between 10–50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
- (C) A limited minority stake (less than 10%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%

## REAL ESTATE: MANAGEMENT TYPE

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                   | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|------------------------------|---------------|
| OO 26     | CORE              | OO 21        | RE 1, RE 6–8, RE 13 | PUBLIC     | Real estate: Management type | GENERAL       |

Who manages your physical real estate assets?

- (A) Direct management by our organisation
- (B) Third-party property managers that our organisation appoints
- (C) Other investors or their third-party property managers
- (D) Tenant(s) with operational control

## INFRASTRUCTURE: OWNERSHIP LEVEL

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                      | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------------|---------------|
| OO 27     | CORE              | OO 21        | N/A        | PUBLIC     | Infrastructure: Ownership level | GENERAL       |

What is the percentage breakdown of your organisation's infrastructure assets by the level of ownership?

- (A) A majority stake (more than 50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75%
- (B) A significant minority stake (between 10–50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
- (C) A limited minority stake (less than 10%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%

## INFRASTRUCTURE: STRATEGY

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection               | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------|---------------|
| OO 28     | CORE              | OO 21        | N/A        | PUBLIC     | Infrastructure: Strategy | GENERAL       |

What is the investment strategy for your infrastructure assets?

- (A) Core
- (B) Value added
- (C) Opportunistic
- (D) Other

## INFRASTRUCTURE: TYPE OF ASSET

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| OO 29     | CORE              | OO 21        | INF 1      | PUBLIC     | Infrastructure: Type of asset | GENERAL       |

What is the asset type of your infrastructure?

- (A) Greenfield
- (B) Brownfield

## INFRASTRUCTURE: MANAGEMENT TYPE

| Indicator | Type of indicator | Dependent on | Gateway to             | Disclosure | Subsection                      | PRI Principle |
|-----------|-------------------|--------------|------------------------|------------|---------------------------------|---------------|
| OO 30     | CORE              | OO 21        | Multiple, see guidance | PUBLIC     | Infrastructure: Management type | GENERAL       |

Who manages your infrastructure assets?

- (A) Direct management by our organisation
- (B) Third-party infrastructure operators that our organisation appoints
- (C) Other investors, infrastructure companies or their third-party operators
- (D) Public or government entities or their third-party operators

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection        | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| OO 32     | CORE              | OO 3, OO 31  | N/A        | PUBLIC     | Report disclosure | GENERAL       |

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

## POLICY, GOVERNANCE AND STRATEGY (PGS)

### POLICY

#### RESPONSIBLE INVESTMENT POLICY ELEMENTS

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------------------|---------------|
| PGS 1     | CORE              | OO 8, OO 9   | Multiple indicators | PUBLIC     | Responsible investment policy elements | 1, 2          |

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

Specify:

Association of assets with the Sustainable Development Goals, where relevant.

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

| Indicator | Type of indicator | Dependent on | Gateway to             | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------------------|------------|----------------------------------------|---------------|
| PGS 2     | CORE              | PGS 1        | Multiple, see guidance | PUBLIC     | Responsible investment policy elements | 1             |

**Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?**

- (A) **Specific guidelines on climate change (may be part of guidelines on environmental factors)**
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------|---------------|
| PGS 3     | CORE              | PGS 1, PGS 2 | N/A        | PUBLIC     | Responsible investment policy elements | 6             |

**Which elements of your formal responsible investment policy(ies) are publicly available?**

- (A) **Overall approach to responsible investment**  
Add link:  
<https://greshamhouse.com/wp-content/uploads/2022/04/Sustainable-Investment-Policy-April-2022.pdf>
- (B) **Guidelines on environmental factors**  
Add link:  
<https://greshamhouse.com/wp-content/uploads/2022/04/Sustainable-Investment-Policy-April-2022.pdf>
- (C) **Guidelines on social factors**  
Add link:  
<https://greshamhouse.com/wp-content/uploads/2022/04/Sustainable-Investment-Policy-April-2022.pdf>
- (D) **Guidelines on governance factors**  
Add link:  
<https://greshamhouse.com/wp-content/uploads/2022/04/Sustainable-Investment-Policy-April-2022.pdf>
- (E) **Guidelines on sustainability outcomes**  
Add link:  
<https://greshamhouse.com/wp-content/uploads/2022/04/Sustainable-Investment-Policy-April-2022.pdf>
- (F) **Specific guidelines on climate change (may be part of guidelines on environmental factors)**  
Add link:  
<https://greshamhouse.com/wp-content/uploads/2022/04/Sustainable-Investment-Policy-April-2022.pdf>
- (I) **Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://greshamhouse.com/sustainable-investing/>

**(J) Guidelines on exclusions**

Add link:

<https://greshamhouse.com/ie/wp-content/uploads/sites/2/2023/03/FINAL-No.-2-Supplement-for-Gresham-House-Global-Thematic-Multi-Asset-Fund-7-March-2023.pdf>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://greshamhouse.com/wp-content/uploads/2022/04/Gresham-House-engagement-and-voting-policy-April-22.pdf>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://greshamhouse.com/wp-content/uploads/2022/04/Gresham-House-engagement-and-voting-policy-April-22.pdf>

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://greshamhouse.com/wp-content/uploads/2022/04/Gresham-House-engagement-and-voting-policy-April-22.pdf>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://greshamhouse.com/wp-content/uploads/2022/04/Gresham-House-engagement-and-voting-policy-April-22.pdf>

(P) Other responsible investment aspects not listed here

(Q) No elements of our formal responsible investment policy(ies) are publicly available

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------|---------------|
| PGS 4     | PLUS              | PGS 1        | N/A        | PUBLIC     | Responsible investment policy elements | 1 – 6         |

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

**(A) Yes**

Elaborate:

Our Sustainable Investment Policy states our corporate purpose “to deliver effective and alternative investment solutions to help clients achieve their financial objectives whilst contributing towards the transition to a more sustainable economy”. In this way, we recognise and communicate that our sustainable investment commitments are carried out in a manner that is in the best interests of our clients and that delivers effective investment solutions and financial returns for these clients. Financial performance and acting in the interests of our clients are both key elements of our fiduciary duty as an asset manager. We also explicitly commit to, within our Sustainable Investment Policy, conducting our business activities in line with the Principles for Responsible Investment, which has a clear mandate to develop Principles that are consistent with the fiduciary duty of asset managers.

(B) No

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------|---------------|
| PGS 5     | CORE              | PGS 1        | N/A        | PUBLIC     | Responsible investment policy elements | 2             |

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------|---------------|
| PGS 6     | CORE              | PGS 1        | N/A        | PUBLIC     | Responsible investment policy elements | 2             |

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------|---------------|
| PGS 7     | CORE              | OO 9         | N/A        | PUBLIC     | Responsible investment policy elements | 2             |

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme



## RESPONSIBLE INVESTMENT POLICY COVERAGE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------|---------------|
| PGS 8     | CORE              | PGS 1        | N/A        | PUBLIC     | Responsible investment policy coverage | 1             |

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------|---------------|
| PGS 9     | CORE              | PGS 2        | N/A        | PUBLIC     | Responsible investment policy coverage | 1             |

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

### AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

| Indicator | Type of indicator | Dependent on      | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|-------------------|------------|------------|----------------------------------------|---------------|
| PGS 10    | CORE              | OO 8, OO 9, PGS 1 | N/A        | PUBLIC     | Responsible investment policy coverage | 2             |

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(C) Private equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(D) Real estate**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(E) Infrastructure**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(G) Forestry

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

| Indicator | Type of indicator | Dependent on  | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|---------------|------------|------------|----------------------------------------|---------------|
| PGS 10.1  | CORE              | OO 9.1, PGS 1 | N/A        | PUBLIC     | Responsible investment policy coverage | 2             |

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------|---------------|
| PGS 11    | CORE              | N/A          | Multiple indicators | PUBLIC     | Roles and responsibilities | 1             |

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Rupert Robinson (Managing Director at Gresham House), a member of Gresham House's Group Management Committee and Sustainability Executive Committee, is ultimately responsible for the implementation and monitoring of our approach to sustainable investment. Day to day responsibilities for the content and continued relevance of the Sustainable Investment Policy belong to our Director of Sustainable Investment who has the authority to drive change as needed.

- (C) Investment committee, or equivalent

Specify:

The Sustainability Executive Committee (ExCo) comprises heads of divisions and representation from across the business including Group Management Committee representatives, a Gresham House Ireland representative, investment division heads and heads of operational teams. The ExCo sets and oversees the Gresham House Corporate Sustainability Strategy and ensures priority areas of sustainability related risks and opportunities are proactively identified and debated.

- (D) Head of department, or equivalent

Specify department:

Our Director of Sustainable Investment, Rebecca Craddock-Taylor, is responsible for proposing the group's sustainability strategy, sustainable investment approach, and for driving forward actions for the implementation of both. All divisional heads also have the responsibility to ensure their teams work in line with sustainable investment related policies and processes and support the group's sustainability strategy and ambitions.

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

| Indicator | Type of indicator | Dependent on         | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|----------------------|------------|------------|----------------------------|---------------|
| PGS 11.1  | CORE              | PGS 1, PGS 2, PGS 11 | N/A        | PUBLIC     | Roles and responsibilities | 1, 2          |

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

**(1) Board members, trustees, or equivalent**

**(2) Senior executive-level staff, investment committee, head of department, or equivalent**

|                                                                                                                                               |                                     |                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| (A) Overall approach to responsible investment                                                                                                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Guidelines on environmental, social and/or governance factors                                                                             | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (C) Guidelines on sustainability outcomes                                                                                                     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (D) Specific guidelines on climate change (may be part of guidelines on environmental factors)                                                | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (G) Guidelines tailored to the specific asset class(es) we hold                                                                               | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (H) Guidelines on exclusions                                                                                                                  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (I) Guidelines on managing conflicts of interest related to responsible investment                                                            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (J) Stewardship: Guidelines on engagement with investees                                                                                      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (L) Stewardship: Guidelines on engagement with other key stakeholders                                                                         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (M) Stewardship: Guidelines on (proxy) voting                                                                                                 | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies) | <input type="radio"/>               | <input type="radio"/>               |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 11.2  | CORE              | N/A          | N/A        | PUBLIC     | Roles and responsibilities | 1 – 6         |

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

Describe how you do this:

At Gresham House, our main mechanism of engagement with government entities is via feedback to regulatory consultations. All responses to government consultations, or any support for letters going to government, that are submitted by Gresham House go through a formal consultation process which includes sign-off by the Sustainable Investment Team and the Group Management Committee to ensure the responses are endorsed at a group-level, and aligned with our corporate purpose, strategy (this includes our Corporate Sustainability Strategy) and values. We do not have a specific policy regarding political engagement, however.

Gresham House also explicitly addresses Political Contributions in its Anti-bribery and Corruption Policy. "Gresham House does not make contributions to political parties. Our policy is that you may not make any political contribution or other expenditure to any political organisation or candidate for political office on behalf of or for the benefit of Gresham House."

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 12    | CORE              | N/A          | N/A        | PUBLIC     | Roles and responsibilities | 1             |

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

(A) Internal role(s)

Specify:

The approach is established by the Sustainable Investment Team, signed off by Group Management Committee, and overseen by the Board. All investment professionals are responsible for the implementation of Gresham House's Sustainable Investing Policy within their relevant asset classes. We have created bespoke in-house asset management tools, ESG Decision Tools, for each investment team to enable them to implement our policy commitments in a robust and consistent manner within each asset class.

(B) External investment managers, service providers, or other external partners or suppliers

Specify:

Voting is carried out for the Gresham House Ireland public equity team by a third-party provider, ISS. All votes for the GHI team are done in line with the ISS Sustainable Policy. Third party service providers are responsible for implementing any responsible business-related expectations, as far as is set out in our supplier contract terms.

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 13    | CORE              | PGS 11       | N/A        | PUBLIC     | Roles and responsibilities | 1             |

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

During the 2022 Board evaluation the effectiveness of the delivery of the three core pillars of the Company's sustainability strategy (being a sustainable investor, sustainable employer and business, and sustainable corporate citizen) were assessed.

The evaluation of the Board Sustainability Committee assessed:

1. The Committee's understanding of the views of investors and other stakeholders on ESG matters;
2. The effectiveness of the Committee in monitoring ESG risks and opportunities;
3. The effectiveness of the Committee in establishing targets for ESG outputs and performance against those targets; and
4. The effectiveness of sustainability performance or plans.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 14    | CORE              | PGS 11       | N/A        | PUBLIC     | Roles and responsibilities | 1             |

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

The Remuneration Committee is responsible for determining how sustainability objectives and commitments, as well as other business objectives and targets, are integrated into the remuneration of the Group Management Committee. 20% of Group Management Committee members' annual variable compensation is linked to non-financial objectives and the achievement of our GH25 strategy, including "becoming a leader in ESG and Sustainable Investing". Examples of key performance indicators used to assess the achievement of this objective are:

- Sustainability agenda recognition.
- Consultant recognition.
- Industry/peer group awards.
- Execution on the Corporate Sustainability Strategy

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 15    | PLUS              | PGS 11       | N/A        | PUBLIC     | Roles and responsibilities | 1             |

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

|                                                                                                                               | (1) Board members, trustees or equivalent | (2) Senior executive-level staff, investment committee, head of department or equivalent |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------|
| (A) Specific competence in climate change mitigation and adaptation                                                           | <input checked="" type="checkbox"/>       | <input checked="" type="checkbox"/>                                                      |
| (B) Specific competence in investors' responsibility to respect human rights                                                  | <input type="checkbox"/>                  | <input checked="" type="checkbox"/>                                                      |
| (C) Specific competence in other systematic sustainability issues                                                             | <input checked="" type="checkbox"/>       | <input checked="" type="checkbox"/>                                                      |
| (D) The regular training of this senior leadership role does not include any of the above responsible investment competencies | <input type="checkbox"/>                  | <input type="checkbox"/>                                                                 |



## EXTERNAL REPORTING AND DISCLOSURES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 16    | CORE              | N/A          | N/A        | PUBLIC     | External reporting and disclosures | 6             |

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 17    | CORE              | N/A          | N/A        | PUBLIC     | External reporting and disclosures | 6             |

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

<https://greshamhouse.com/tcfd/>

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 18    | PLUS              | N/A          | N/A        | PUBLIC     | External reporting and disclosures | 6             |

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

**(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)**

Link to example of public disclosures

<https://greshamhouse.com/sfdr-disclosures/>

(B) Disclosures against the European Union's Taxonomy

(C) Disclosures against the CFA's ESG Disclosures Standard

**(D) Disclosures against other international standards, frameworks or regulations**

Specify:

The UK Stewardship Code 2020. Gresham House remained a signatory to the UK Stewardship Code 2020 for the second year in a row in 2022. We submitted our 2023 Gresham House Stewardship Code Report to the Financial Reporting Council (FRC) in April 2023, describing our application of the Code's Principles for the 12-month period to 31 December 2022.

Link to example of public disclosures

[https://greshamhouse.com/wp-content/uploads/2023/05/230428\\_Stewardship\\_Report\\_2022\\_Final.pdf](https://greshamhouse.com/wp-content/uploads/2023/05/230428_Stewardship_Report_2022_Final.pdf)

**(E) Disclosures against other international standards, frameworks or regulations**

Specify:

Gresham House published a PRI report in 2021. The results are available on our Sustainable Investing webpage.

Link to example of public disclosures

<https://greshamhouse.com/sustainable-investing/>

**(F) Disclosures against other international standards, frameworks or regulations**

Specify:

In 2022, representatives from our Housing strategy participated in workshops with The Good Economy and Big Society Capital to contribute towards the development of the Equity Impact Project (EIP).

The EIP has developed a set of globally aligned standards for equity investments in social and affordable housing. ReSI plc was one of the first funds to report against the standard as part of its report for the year-ending September 2022.

Link to example of public disclosures

[https://thegoodeconomy.co.uk/resources/reports/ResiREITplc\\_Impact\\_Report\\_2022\\_TGE\\_sp.pdf](https://thegoodeconomy.co.uk/resources/reports/ResiREITplc_Impact_Report_2022_TGE_sp.pdf)

(G) Disclosures against other international standards, frameworks or regulations

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 19    | CORE              | N/A          | N/A        | PUBLIC     | External reporting and disclosures | 6             |

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://uksif.org/>

<https://solarenergyuk.org/>

<https://www.confor.org.uk/>

<https://www.renewableuk.com>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| PGS 20    | CORE              | N/A          | N/A        | PUBLIC     | Capital allocation | 1             |

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments

(E) Other elements

Specify:

The Gresham House Global Thematic Multi-Asset Fund is the only Gresham House investment product that applies exclusions. These exclusions are fund-specific and originally driven by client demand. Exclusions were recently updated to include fossil fuels and alcohol. The full list of exclusions can be found here: FINAL-No.-2-Supplement-for-Gresham-House-Global-Thematic-Multi-Asset-Fund-7-March-2023.pdf (greshamhouse.com).

- (F) Not applicable; our organisation does not have any organisation-level exclusions

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| PGS 21    | CORE              | N/A          | N/A        | PUBLIC     | Capital allocation | 1             |

**How does your responsible investment approach influence your strategic asset allocation process?**

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

**STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY**

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------------------|---------------|
| PGS 22    | CORE              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

|                                                                                                                                                                                                                                     | (1) Listed equity | (3) Private equity | (4) Real estate | (5) Infrastructure | (7) Forestry |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|-----------------|--------------------|--------------|
| (A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.                | ○                 | ○                  | ●               | ●                  | ●            |
| (B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues. | ●                 | ●                  | ○               | ○                  | ○            |

| Indicator | Type of indicator | Dependent on     | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|------------------|------------|------------|-------------------------------------------|---------------|
| PGS 23    | PLUS              | OO 5, OO 8, OO 9 | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

Across our investment activities, we engage directly with relevant stakeholders including investors, investee companies, industry associations, and project counterparties. It is central to our philosophy that we take a hands-on, active ownership approach to all our investments to ensure the best result for both shareholders and clients. Our engagement approach will differ across our various asset classes. Across all our divisions, we strongly believe engagement is an essential part of being an effective steward of our shareholders' and clients' assets.

The prioritisation of engagement activities is asset class and project specific. All our sustainable investing and engagement activities take a materiality approach which prioritises stewardship activities that are considered to have most impact on the long-term value of the asset/investee company and, as a result, the overall investment value for our clients. This might include, but is not limited to:

- the size of our shareholding or extent of our ability to influence decision making (e.g., whether we have a Board position)
- the size of the asset within an investment portfolio
- the materiality of the ESG factors on the financial/operational performance of an asset
- the potential impact of an asset on systemic sustainability challenges
- the potential impact of the engagement activity in driving forward policy, regulatory or system changes
- the investment mandate or objective of a specific investment product

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------------------|---------------|
| PGS 24    | CORE              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------------------|---------------|
| PGS 24.1  | PLUS              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

At Gresham House, we recognise the potential value of collaborative engagement, particularly when driving industry or policy change whereby collaborating with peers or other stakeholders may lead to a greater collective voice and potential influence. Collaborative engagement is not our default position, however, as we primarily aim to engage directly and individually to ensure our own objectives, which we believe can drive value, are the focus of the engagement. Across our public and private equity divisions, our primary means of engagement is directly with portfolio companies. This is again driven by the relatively small size of the companies we invest in and our relative significant holding in those companies.

For our Real Asset businesses, collaborative engagement means we may become members of industry associations or organise collective action with other stakeholders to drive change. An example of this in 2022 was our Forestry team's involvement with peers, industry bodies, government representatives and carbon accreditation bodies around the improvement of carbon credit schemes and their real-world outcomes.

Across our Public Equity activities, our primary means of engagement is directly with portfolio companies due to our active management approach. There may be reason however to collaborate with other shareholders (or stakeholders) to drive improvements in shareholder value, particularly where our shareholding in the company may not be significant. We would consider collaborating on matters of governance as we believe strongly that this is one of the most important drivers of investment performance. We will explore collaboration with other shareholders in instances where we find this to offer the best route to effecting necessary change.

| Indicator | Type of indicator | Dependent on     | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|------------------|------------|------------|-------------------------------------------|---------------|
| PGS 25    | PLUS              | OO 5, OO 8, OO 9 | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**  
Select from the list:  
 1
- (B) External investment managers, third-party operators and/or external property managers, if applicable**  
Select from the list:  
 4
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**  
Select from the list:  
 2
- (D) Informal or unstructured collaborations with investors or other entities**  
Select from the list:  
 3
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**  
Select from the list:  
 5
- (F) We do not use any of these channels

| Indicator | Type of indicator | Dependent on      | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|-------------------|------------|------------|-------------------------------------------|---------------|
| PGS 26    | PLUS              | OO 8, OO 9, PGS 1 | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?**

**☑ (A) Example(s) of measures taken when selecting external service providers:**

Third party service providers are responsible for implementing any responsible business-related expectations, as far as is set out in our supplier contract terms. On an onboarding and ongoing basis, due diligence is conducted by Gresham House on high impact providers to ensure that key operational resilience in relation to key ESG risks such as our Modern Slavery requirements are being mitigated against.

**☑ (B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:**

Sustainable investment and responsible business expectations are included with contract terms or Service Level Agreements for external service providers, where required and in line with group policies or asset class specific policies.

**☑ (C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:**

External service providers are reviewed in terms of their continued commitment to meeting our responsible and sustainable investment policies. For example, the performance of service managers for Forestry activities are reviewed by an annual Quality, Environmental, and Health & Safety Management Supplier Questionnaire.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------------------|---------------|
| PGS 27    | PLUS              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?**

We carry out all engagement activities with the aim of adding to or protecting the value of our client’s investments. The identification of engagement opportunities or obligations requires a consideration of what issues are most material to that investment. The engagement approach and relevant stakeholders will be relevant to that asset type.

For all our investments, pre-investment due diligence includes a consideration of the most material environmental, social and governance risks and opportunities for an asset or company through the completion of an ESG Decision Tool. The Tool aims to support the identification of material environmental, social and governance risks and opportunities. At this stage, the investment team will consider the extent to which they are comfortable with any risks identified or believe they can mitigate the risks or create opportunities through engagement with the company, asset or relevant stakeholders. If the team considers at this stage that engagement, because of factors such as level of shareholding, is unlikely to lead to positive outcomes or the risk is too great or not reflected in expected financial returns, they may decide not to proceed with the investment.

Post-investment, the impact on investment decisions following engagement will be determined on a case-by-case basis as relevant to the asset type.

Post-investment, for Public Equity investments, progress against the engagement objectives set will be monitored by the investment team. If a company does not respond to or implement the stated objective, the investment team may respond based on the specific circumstances of the engagement and the relevant materiality. Response options include:



- Change in investment position (increase or decrease investment in the company).
- Exit from the investment position (sale of holding in the company).
- Escalation.
- No change.

Given the context of engagement activities varies widely by investee company, the investment team do not have formal objectives for escalation.

Post-investment for our Real Assets, if the engagement activity leads to a change in the perceived risk or opportunity profile for an asset, it may result in the investment team changing its strategy for the ongoing management or development of the assets; changing the operational processes for the investment team such as new due diligence processes or new supplier contract terms; or may lead to a shift in the strategy of the fund.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------------------|---------------|
| PGS 28    | PLUS              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

Across our investment activities, we engage directly with numerous stakeholders including investors, investee companies and project counterparties. It is central to our philosophy that we take a hands-on, active ownership approach to our investments to ensure the best result for both shareholders and clients. Our engagement approach and focus will differ across our various asset classes. Across all our divisions, we strongly believe engagement is an essential part of being an effective steward of our shareholders' and clients' assets. The engagement approach will vary per investment division.

**Forestry**

Our engagement approach in our Forestry division is primarily with landowners, forest managers, local communities and councils, and the wider market. As the largest private commercial forestry manager in the UK, Gresham House proactively interacts with government departments and relevant bodies in the management, development, and increased planting of forestry in the UK - especially in Scotland.

**New Energy**

Our engagement approach in relation to our battery energy storage systems (BESS) activities, and wind and solar assets, is primarily focused on our work with developers, landowners, planning authorities, contractors and equipment suppliers during the development and contracting/procurement/construction process, as well as investors. We will engage with local communities, insurers, operations & maintenance contractors, asset optimisers (traders), government representatives and the Environment Agency. Engagement is focused to maximise the efficient operation of BESS and wind and solar assets that help balance the UK electricity grid and support the government's net zero targets.

**Housing**

In the UK, the majority of our engagement activity is with shared owners, the regulator of Social Housing and service providers. We regularly engage with shared owners, using a mixture of customer surveys and feedback at the point of service to inform required service improvements and areas of concern. We recently engaged with Homes England and the Greater London Authority on the UK Government's proposal for a new model of shared ownership lease. We also engage frequently with service providers, such as builders, on matters of health and safety and the use of environmentally friendly building practices.

### Sustainable Infrastructure & Private Equity

For our Sustainable Infrastructure and Private Equity teams, thorough due diligence prior to the investment helps to formulate a granular picture of the business, informing a coherent engagement strategy which is agreed by the Investment Committee. Our Sustainable Infrastructure investment documentation includes a sustainability commitment to which the investee management team must sign up to including implementation of a business-wide Sustainability Policy and Diversity & Inclusion Policy.

After investment, our teams work closely with the management team using an agreed action plan (100-day plan) to support the implementation of any necessary changes to operating and reporting processes, such as board representation, new hires, bolstering governance policies, and requirements for specialist advisors. We always take a board seat or recommend an appropriate individual and usually also take a board observer role as well.

A base level of engagement with the business will always be maintained via regular board meetings (usually monthly) and a close working relationship with the management team, but engagement levels are adapted to suit the requirements of the business.

### Public Equity

Our Public Equity investment team encourages an open and honest dialogue between ourselves and the companies in which we invest as this is an essential part of being an effective steward of the investments we make.

Our investment teams aim to meet face-to-face with the management team of a publicly listed company at least once a year, and more frequently when we own a material share of a company. These meetings form the basis of ongoing monitoring of a company strategy, financial performance and ESG considerations.

For our UK Public Equity team, investing in smaller businesses means we place great importance on our ability to work with company management through engagement activity to make improvements and protect long-term value. Our assessments of management, board and governance forms a critical part of the investment case, which necessitates that we work with companies on matters such as strategy, mergers and acquisitions and remuneration, both from the outset of the holding period and on an on-going basis.

Our Irish Public Equity team may also engage with investments once invested. Given the number of investee companies that the team's investment strategies might hold, engagement will be focused on the most material topics or for companies with which the team believes engagement could add value and drive the required change.

## STEWARDSHIP: (PROXY) VOTING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 29    | CORE              | OO 9, PGS 1  | N/A        | PUBLIC     | Stewardship: (Proxy) voting | 2             |

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**
  - Select from the below list:
  - (1) in all cases
  - (2) in a majority of cases**
  - (3) in a minority of cases
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- (1) in all cases
- (2) in a majority of cases**
- (3) in a minority of cases

- (C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 30    | CORE              | OO 9         | N/A        | PUBLIC     | Stewardship: (Proxy) voting | 2             |

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme**

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 31    | CORE              | OO 9.1       | N/A        | PUBLIC     | Stewardship: (Proxy) voting | 2             |

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment**
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 32    | CORE              | OO 9         | N/A        | PUBLIC     | Stewardship: (Proxy) voting | 2             |

**During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?**

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM**
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 33    | CORE              | OO 9         | PGS 33.1   | PUBLIC     | Stewardship: (Proxy) voting | 2             |

**After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?**

- (A) Yes, for all (proxy) votes**

Add link(s):

<https://greshamhouse.com/sustainable-investing/>  
<https://greshamhouse.com/ie/sustainable-investing/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 33.1  | CORE              | PGS 33       | N/A        | PUBLIC     | Stewardship: (Proxy) voting | 2             |

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM**
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 34    | CORE              | OO 9         | N/A        | PUBLIC     | Stewardship: (Proxy) voting | 2             |

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

|                                                                                                                                                    | (1) In cases where we abstained or voted against management recommendations | (2) In cases where we voted against an ESG-related shareholder resolution |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------|
| (A) Yes, we publicly disclosed the rationale                                                                                                       |                                                                             |                                                                           |
| (B) Yes, we privately communicated the rationale to the company                                                                                    | (1) for all votes                                                           | (2) for a majority of votes                                               |
| (C) We did not publicly or privately communicate the rationale, or we did not track this information                                               | ○                                                                           | ○                                                                         |
| (D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year | ○                                                                           | ○                                                                         |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 35    | PLUS              | OO 9         | N/A        | PUBLIC     | Stewardship: (Proxy) voting | 2             |

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

For our UK Public Equity team, the votes are carried out by external administrators although the voting decisions are made by the team. For all funds managed, the middle office (“MO”) team submit voting via the platform Broadridge.

- MO receive an email confirmation from Broadridge to confirm the Fund has voted regarding all resolutions and that the votes have been submitted.
- Resolutions, accompanying circular/agenda, IMs instruction and Broadridge confirm are saved for our records
- Broadridge Voting Summary reports are also available which shows a breakdown of the securities and respective resolutions for which a vote has been cast (total no. resolutions /how voted/any instances where the Fund did not vote). Specific details included in the confirmation include ISIN, Meeting Date, Meeting type, Record/Holdings Date, Proposals, and Number of Shares which have been voted.

For our Irish Public Equity team, the votes are carried out by ISS in line with their Sustainability Policy. The team does not carry out any checks to ensure that ISS voting is implemented in line with the ISS Sustainability Policy however the team do receive alerts when votes are upcoming and specifically when ISS recommends voting against management and will determine whether they are comfortable that voting decision and rationale, ultimately deciding whether to vote FOR/AGAINST or to ABSTAIN.

## STEWARDSHIP: ESCALATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 36    | CORE              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Escalation | 2             |

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one



(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal



(C) Publicly engaging the entity, e.g. signing an open letter



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

(F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

| Indicator | Type of indicator | Dependent on | Gateway to         | Disclosure | Subsection                                 | PRI Principle |
|-----------|-------------------|--------------|--------------------|------------|--------------------------------------------|---------------|
| PGS 39    | CORE              | OO 8, OO 9   | PGS 39.1, PGS 39.2 | PUBLIC     | Stewardship: Engagement with policy makers | 2             |

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------------------------|---------------|
| PGS 39.1  | CORE              | PGS 39       | N/A        | PUBLIC     | Stewardship: Engagement with policy makers | 2             |

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups
- (D) We engaged policy makers on our own initiative

Describe:

#### UKSIF

Members of our Sustainable Investment Team took part in several roundtable discussions on the formation of the UK's Sustainability Disclosure Requirements (SDR) and IFRS International Sustainability Standards Board's (ISSB) global baseline of sustainability-related disclosure standards. We continued as members of the Green Taxonomy Working Group, helping to advise UKSIF's policy positions at meetings of the Green Technical Advisory Group (GTAG). We contributed to UKSIF's Net Zero Inquiry, which sought views on policy recommendations that the government and regulators should adopt to move the sector towards net zero at the scale and pace required.

#### Forestry

The Forestry team has been at the forefront of interacting with government departments around the sustainable management, development, and increased planting of forestry in the UK - especially in Scotland where the majority of productive forest is grown. Government agencies and other key forestry stakeholders we have engaged include the Scottish Cabinet Secretary for Rural Economy and Tourism and Natural Resources Wales, the UK Climate Change Committee (CCC), and UK Department for Environment, Food & Rural Affairs.

#### New Energy

The New Energy team submitted a response to the government Review of Electricity Market Arrangements (REMA) consultation - aiming to provide the government with recommendations on how the UK can reform electricity markets to achieve its target of decarbonising the electricity system by 2035. The team also regularly engages with other relevant parties, including the UK government department of Business, Energy and Industrial Strategy, and the National Grid Electricity System Operator (ESO) and consultants, to support market changes.

(E) Other methods

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                       | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------------------------------|---------------|
| PGS 39.2  | CORE              | PGS 39       | N/A        | PUBLIC     | Stewardship:<br>Engagement with<br>policy makers | 2             |

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

- (A) We publicly disclosed all our policy positions  
 (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

[https://greshamhouse.com/wp-content/uploads/2023/06/0623\\_Gresham-House-Sustainable-Investment-Report.pdf](https://greshamhouse.com/wp-content/uploads/2023/06/0623_Gresham-House-Sustainable-Investment-Report.pdf)  
[https://greshamhouse.com/wp-content/uploads/2023/05/230428\\_Stewardship\\_Report\\_2022\\_Final.pdf](https://greshamhouse.com/wp-content/uploads/2023/05/230428_Stewardship_Report_2022_Final.pdf)

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year



## STEWARDSHIP: EXAMPLES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection            | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------|---------------|
| PGS 40    | PLUS              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Examples | 2             |

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Private Equity: engaging with portfolio companies through educational ESG webinars

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Following last year's ESG survey, we committed to holding a series of educational webinars for the Chairs, CEOs and executives of unquoted and quoted investee businesses to enhance their knowledge of material ESG issues. The webinar series aims to provide a toolkit for investee businesses to better integrate ESG and sustainability into their businesses and covers:

- Education and materiality - understanding ESG, its importance and how to identify material ESG issues.
- Governance - how to optimise governance structures to identify and manage ESG risks and opportunities.
- Strategy - how to set a sustainability strategy and develop an ESG policy.
- Risk management - how to incorporate ESG into risk management processes.
- Metrics and targets - how to set measurable ESG KPIs and targets.

We aim to continue the series on a quarterly basis moving through 2023 and beyond.

(B) Example 2:

Title of stewardship activity:

Public Equity: collaboration with other shareholders to drive change

- (1) Led by
- (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Due to the material underperformance of an investee business over the last 2 years, we put an investment under review and collaborated with another significant shareholder to engage with the board and executives to discuss the business and formulate recommendations for change. Our recommendations had included the company changing its operational strategy including headcount, offices, PLC costs, overheads, revising its geographical focus and personnel changes to the board and executive teams.

Outcome: In 2022, we continued to engage with the company. Since collaborating with another material shareholder in 2021 and making recommendations to the company, we helped to facilitate the Chairperson's succession plan and were heavily involved in the recruitment of a new Chief Financial Officer. In addition, the company made progress with rationalising its operational footprint in line with our recommendations.

(C) Example 3:

Title of stewardship activity:

- (1) Led by
- (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(D) Example 4:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

## CLIMATE CHANGE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 41    | CORE              | N/A          | PGS 41.1   | PUBLIC     | Climate change | General       |

### Has your organisation identified climate-related risks and opportunities affecting your investments?

**(A) Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

Gresham House published its first standalone TCFD Report in 2022. This included a section both on how climate-related risks and opportunities link to our group strategy as well as how we manage climate-related risks. The full report can be found here: <https://greshamhouse.com/wp-content/uploads/2023/03/Gresham-House-TCFD-Report-March-2023.pdf>.

Many of the assets we invest in, and our investment products, have long time horizons with Forestry, for example, having an investment period of up to 25-30 years. As a result, our planning horizon incorporates a relatively long-term perspective.

#### Opportunities

Gresham House is well positioned to take advantage of the increasing investor focus on the transition to a low-carbon economy. We provide our clients with the opportunity to invest in a range of asset classes with returns that are tied to climate-related opportunities. These include:

- f* Renewable energy generation and battery energy storage solutions within New Energy
- f* Sustainable building materials and carbon sequestration within the Forestry division
- f* Innovative agricultural practices, biodiversity net gain, and waste-to-energy solutions within Sustainable Infrastructure
- f* Low-carbon homes within UK Housing

To meet increased demand for climate-related opportunities across our client base, we continue to invest in new product development to offer clients the ability to meet their sustainability and climate objectives alongside their financial ambitions.

#### Risks

We recognise that the changing climate will present risks to our strategy. The examples below detail risks that may impact upon our ability to deliver effective and alternative investment solutions to help clients achieve their financial objectives, while contributing towards the transition to a more sustainable economy.

##### Transition risks:

- The risk that investment solutions do not meet clients' evolving climate needs, leading to outflows and reduced demand for investment products
- The risk that competitors grow faster by offering better climate solutions for clients, resulting in a loss of market share
- The reputational risks associated with funds not decarbonising as fast as clients expect, leading to reduced demand for investment products

- High delivery costs of more energy efficient, low-carbon solutions leading to reduced margins across our Real Assets divisions
- Physical risks
- The risk that the increased prevalence of extreme weather events leads to a fall in asset values or higher insurance costs
  - The risk that damage to facilities caused by acute weather leads to increased capital costs or asset impairment

Further detail on specific risks relating to investment divisions can be found in our 2022 TCFD Report.

- (B) Yes, beyond our standard planning horizon
- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 41.1  | CORE              | PGS 41       | N/A        | PUBLIC     | Climate change | General       |

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

As detailed in our 2022 TCFD Report, climate-related risks and opportunities are intrinsic to our investment strategies and product development. To meet increased demand for climate-related opportunities across our client base, we continue to invest in new product development to offer clients the ability to meet their sustainability and climate objectives alongside their financial ambitions. Our existing products for clients include:

- Investment solutions in renewable energy generation and battery energy storage solutions
- Forestry funds providing exposure to low carbon, sustainable building materials and carbon sequestration
- Low-carbon homes within UK Housing

As part of our five-year strategy, "GH25", Gresham House has a strategic objective "to become a recognised leader in sustainable investment, including Environmental, Social and Governance (ESG)". Our first Corporate Sustainability Strategy, which aims to support that ambition and aims to identify underlying objectives, as well as set out the actions we will take to meet our sustainability goals, includes clear actions and objectives to address Climate Change and Pollution. These include, but are not limited to:

- Expanding the range of climate data measured and reported for each fund.
- Developing a suite of investment strategies that support clients' Net Zero and climate strategy requirements.
- Assessing the feasibility of using our investments to create carbon offsets for use by Gresham House investment strategies and Gresham House plc to achieve their Net Zero ambitions.

Delivery of the Corporate Sustainability Strategy is overseen jointly by our Sustainable Investment team and Sustainability Executive Committee. In this way, it is evident that climate-related risks and opportunities are an integral aspect of our overall group investment, financial and product-related strategy.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 42    | PLUS              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**Which sectors are covered by your organisation’s strategy addressing high-emitting sectors?**

- (A) Coal
- (B) Gas
- (C) Oil
- (D) Utilities
- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 43    | CORE              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios  
Specify:

Scenario analysis and climate projections play an important role in several of Gresham House's Real Asset divisions. The scenario analysis does not follow a single scenario or approach and instead varies by investment division as relevant to the location of the assets and asset-type. We have recommended that most Real Asset divisions include an overlay of a proposed investment's asset location to the Met Office's UK Climate Projections (UKCP) as part of pre-investment due diligence.

Our Forestry team uses forecasting and modelling of climate patterns to manage and develop its forests so that they are best positioned to address potential future climate-related risks such as changes in growing conditions, fires, flooding, or limited water availability. Models incorporated include, for example, the FullCAM model developed by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) for Australian assets. The Forestry team also considers scenario analysis in tree breeding, the process by which the underlying genetics of trees are enhanced to better suit its surroundings. The team initiated the recent development of the use of Lutz spruce as an alternative to other spruces on drier sites in the UK. This species appears to be better adapted to drier, more continental conditions and the division is actively trialling the species where climatic moisture deficit is relatively high.

Our New Energy team uses the services of third-party experts to estimate the impact of climate-related factors on energy prices over the short, medium and long term to create low, high and central case scenarios. These scenarios, which factor in government Net Zero commitments, a view on the likelihood of their implementation, and expected carbon prices, are then embedded within financial modelling.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 44    | CORE              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

- (A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

At investment level, individual investment decisions are overseen by formal Investment Oversight committees, which review and challenge proposals in line with defined procedures which capture climate-risk. Additionally, the Gresham House ESG Decision tool is a key component of Gresham House's approach to ESG and climate-related risk integration and is applied to all investment divisions. The ESG Decision tool requires the investment team to analyse how a broad range of ESG risks – including climate-related risks – may impact upon a proposed investment.

(2) Describe how this process is integrated into your overall risk management

The identification and assessment of climate-related risk takes place through the same risk identification process as other risks using our Enterprise Risk Management (ERM) Framework. This framework assesses and manages Group-wide risks based on the likelihood of the risk materialising and the business exposures faced if it does.

Risk identification and assessment is a two-step process involving:

- Identification of the strategic objectives of the Group as a whole and supporting business processes; and

- Identification and assessment of the risk events that might impede the achievement of objectives or delivery of business processes. Risks are assessed on two dimensions, likelihood, and financial impact; these scores are then combined in line with ERM methodology to obtain a total risk score.

Gresham House maintains a risk register which records all the key risks which are relevant to the Group. In 2023, the risk register was updated to give greater prominence to physical and transition climate risks in the risk identification and management process.

Risk owners are supported in the identification of division-specific climate risks by the Group's Sustainable Investment team, which regularly reviews and provides guidance on the sustainability and climate-related risks facing each division.

The ESG Decision tool requires the investment team to analyse how a broad range of ESG risks – including climate-related risks – may impact upon a proposed investment. The outcomes of the ESG Decision Tool shape the due diligence process and provide rational ESG factors to be tracked, monitored, and managed over time by our investment teams. More information on the ESG Decision Tool can be found later in this section

**(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

At investment level, the outcomes of the ESG Decision Tool shape the due diligence process and provide rational ESG factors to be tracked, monitored, and managed over time by our investment teams.

(2) Describe how this process is integrated into your overall risk management

Climate risks are managed in line with all other enterprise-related risks, and as such, for each material risk identified, controls and mitigating actions are documented, and risk owners acknowledge ownership for the maintenance and operation of these controls. Business-unit risk owners have the day-to-day ownership, responsibility, and accountability for assessing, controlling and managing risks within their units. On a six-monthly basis, divisional heads report on the status of risks within their division and an updated Group Risk Register is reported to the Audit Committee.

Each asset division has its own ESG Decision Tool which helps support the identification of potential material ESG risks prior to investment. The Tool is based on the ten themes of Gresham House's Sustainable Investment Framework (Figure 5 in the Strategy section). The Tool focuses on material ESG risks, including climate risks, which can then be tracked, monitored, and managed over time. The tools will not tell the investment teams whether to invest or not, instead they aim to provide a rational and replicable assessment of key ESG risks which should be considered prior to investment. It is up to the investment teams to decide whether they are sufficiently comfortable with these risks to proceed with an investment

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 45    | CORE              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed**
    - (3) Metric or variable used and disclosed, including methodology



(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://Gresham-House-TCFD-Report-March-2023.pdf>

**(E) Weighted average carbon intensity**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed**
- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://Gresham-House-TCFD-Report-March-2023.pdf>

**(F) Avoided emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed**
- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://greshamhouse.com/wp-content/uploads/2023/06/0623\\_Gresham-House-Sustainable-Investment-Report.pdf](https://greshamhouse.com/wp-content/uploads/2023/06/0623_Gresham-House-Sustainable-Investment-Report.pdf)

(G) Implied Temperature Rise (ITR)

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

(I) Proportion of assets or other business activities aligned with climate-related opportunities

**(J) Other metrics or variables**

Specify:

Return on carbon (£m revenue/ tCO2e) and the carbon data quality score, in line with the PCAF methodology.

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed**
- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://Gresham-House-TCFD-Report-March-2023.pdf>

(K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 46    | CORE              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

**(A) Scope 1 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed
- (2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://greshamhouse.com/tcf/>

**(B) Scope 2 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://greshamhouse.com/tcf/>

**(C) Scope 3 emissions (including financed emissions)**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://greshamhouse.com/tcf/>

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-------------------------|---------------|
| PGS 47    | CORE              | N/A          | Multiple indicators | PUBLIC     | Sustainability outcomes | 1, 2          |

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 47.1  | CORE              | PGS 47       | N/A        | PUBLIC     | Sustainability outcomes | 1, 2          |

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets**
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights

- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)**  
Specify:

Our Sustainable Infrastructure divisions applies an Impact framework based on the Impact Frontiers' five dimensions of impact.

- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
  - (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 47.2  | CORE              | PGS 47       | PGS 48     | PUBLIC     | Sustainability outcomes | 1, 2          |

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities**
- (B) Consult with key clients and/or beneficiaries to align with their priorities**
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character**
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues**
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to     | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|----------------|------------|-------------------------|---------------|
| PGS 48    | CORE              | PGS 47.2     | PGS 48.1, SO 1 | PUBLIC     | Sustainability outcomes | 1, 2          |

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities**
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 48.1  | PLUS              | PGS 48       | N/A        | PUBLIC     | Sustainability outcomes | 1, 2          |

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection   | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 49    | PLUS              | PGS 47       | PGS 49.1   | PUBLIC     | Human rights | 1, 2          |

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

Our Corporate Sustainability Strategy (CSS) aims to support our strategic objective “to become a recognised leader in sustainable investment” by 2025.

One of our Thematic priority topics within our CSS is Supply Chain Sustainability and we have set the following objective for this topic: “understand material ESG risks across the supply chain of our most at-risk investments and put in place policies and processes to manage and mitigate these.”

One of the material ESG risks we have identified for some of our asset classes, particularly within Real Assets, is the risk of modern slavery within our supply chains. We are aiming to achieve this objective by 2025 and have started work on mapping our supply chains across our Real Assets. Further work will be carried out in 2023 and 2024 to identify where our greatest risks for modern slavery lie and put in place management and mitigation processes to address these across all our Real Assets.

Gresham House has in place a Modern Slavery Policy that includes commitments in respect of slavery and human trafficking. Gresham House also has in place Modern Slavery Procedures that outline our expectations in respect of practices concerning slavery and human trafficking prevention. We encourage members of staff to report any suspected breaches of these policies and procedures to their managers and our Compliance Team.

#### Processes

In addition to our Modern Slavery Policy, we have put in place processes to identify risks of slavery and human trafficking in some of our supply chains, including:

- In the Renewables business, all newly established contracts now include clauses specifically mandating suppliers to declare that they have not been involved in any practices linked to modern slavery and that they will permit on-site audits at any time should the team have reason to suspect instances of slavery and human trafficking.
- All main technology component providers of Gresham House managed New Energy projects are asked to complete an annual questionnaire relating to both their own labour practices and supply chain management regarding material sourcing from China. To mitigate the risk of low response rates, the team will mandate completion of the questionnaire as part of pre-qualification for new suppliers going forward.
- Gresham House Energy Storage Fund plc (GRID) has developed a Supply Chain Policy with a focus on forced labour and discrimination. This will be updated following the CATL supply chain audit that was completed in 2023 (see below).
- All new battery storage projects whose construction began from 2021 onwards use Lithium Iron Phosphate (LFP) battery chemistry instead of Nickel Manganese Cobalt (NMC) reducing our reliance on the extraction of cobalt in the Democratic Republic of Congo. However, we recognise modern slavery risks have not been eliminated through this change due to potential risks associated with other raw materials.
- In 2022, the New Energy team engaged RCS Global Group (RCS), a global responsible sourcing assurance and advisory business, to conduct an audit of CATL, the team's primary supplier of batteries. The audit verified that CATL had a framework in place to manage ESG risks. This provided comfort to the GRID Board that its main supplier is committed to responsible business practices and has comprehensive policies in place. However, the audit highlighted that more work is required by CATL to ensure companies further down the supply chain meet the same standards.
- Whilst the information did not impact on the team's construction or asset management decisions, useful feedback was obtained that will lead to an update of the Supply Chain Policy. The study also provided a framework to carry out audits on future battery suppliers and the supply chain under CATL and other BESS suppliers.
- The New Energy team has collaborated with institutions in the battery supply chain to identify solutions for how to create a more resilient and sustainable battery supply chain. For example, the team participated in 2022 to a Green Finance Institute battery workshop to discuss means of unlocking financial flows in the UK to the battery industry.
- The Housing division completed a high-level audit of the house building contractors they work with to ensure they all have in place their own modern slavery policies.

The Gresham House Modern Slavery Statement can be found here: <https://greshamhouse.com/modern-slavery-statement/>

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

Specify:

Communities, employee health and safety, and rights of indigenous persons are factors considered as part of our Real Asset investment activities.

Our Forestry team recognises the need to protect the rights of indigenous persons as part of all new forest projects. The Forestry team applies the International Finance Corporation (IFC) exclusion policy, as relevant to Forestry activities, to all forestry investments. This means the team we will not invest in:

- Production or activities involving harmful or exploitative forms of forced labour/harmful child labour, or
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without their full documented consent.

These exclusions are included explicitly in the Forestry ESG Decision Tool used as part of our pre-investment due diligence process. Any investment opportunity found to be in breach of these exclusions will not be progressed further.

All our Real Asset investments have robust policies and processes to manage health and safety of employees and contractors across development and operational sites. This includes risk assessments, management action plans, health and safety audits and training. Health and safety incidents are measured, reported on, and mitigated to the extent possible by all our Real Asset divisions. Community engagement is also a key aspect of our Real Asset investment processes.

Local communities will be engaged as part of new project development or material changes for our Housing, New Energy, Forestry and Sustainable Infrastructure investment activities. The views of a variety of local stakeholders will be considered and addressed to the extent possible.

Explain how these activities were conducted:

The exclusions mentioned in relation to Forestry exclusions are included explicitly in the Forestry ESG Decision Tool used as part of our pre-investment due diligence process. Any investment opportunity found to be in breach of these exclusions will not be progressed further.

- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection   | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 49.1  | PLUS              | PGS 49       | N/A        | PUBLIC     | Human rights | 1, 2          |

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

**(A) Workers**

Sector(s) for which each stakeholder group was included

- (1) Energy**
- (2) Materials**
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate**

**(B) Communities**

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate
- (C) Customers and end-users
  - Sector(s) for which each stakeholder group was included
  - (1) Energy
  - (2) Materials
  - (3) Industrials
  - (4) Consumer discretionary
  - (5) Consumer staples
  - (6) Healthcare
  - (7) Finance
  - (8) Information technology
  - (9) Communication services
  - (10) Utilities
  - (11) Real estate
- (D) Other stakeholder groups

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection   | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 49.2  | PLUS              | PGS 47       | N/A        | PUBLIC     | Human rights | 1, 2          |

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

- (A) Corporate disclosures
- (B) Media reports
  - Provide further detail on how your organisation used these information sources:

As part of work to map our supply chains and identify potential modern slavery-related risks across our Real Assets, the Sustainable Investment Team used a variety of resources including news articles. Examples include articles published by the BBC and the Guardian.

- (C) Reports and other information from NGOs and human rights institutions
  - Provide further detail on how your organisation used these information sources:

As part of work to map our supply chains and identify potential modern slavery-related risks across our Real Assets, the Sustainable Investment Team used a variety of resources including reports developed by NGOs and other internationally recognised standards such as the Global Slavery Index, the Responsible Sourcing Tool and the ILO Global Estimate of Modern Slavery Report 2022.

- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank
- (E) Data provider scores or benchmarks

Provide further detail on how your organisation used these information sources:

Our Public Equity teams incorporate ESG data into their investment processes. This includes data flagging investee company controversies, defined as companies that are found by the provide to be in breach of global norms and standards (OECD guidelines, UN Global Compact).

- (F) Human rights violation alerts
- (G) Sell-side research
- (H) Investor networks or other investors
- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection   | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 50    | PLUS              | PGS 47       | N/A        | PUBLIC     | Human rights | 1, 2          |

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities
- (C) **No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year**

Explain why:

There were no incidents of human rights outcomes identified as part of our investment activities during the reporting year. As such, this is not applicable.

## LISTED EQUITY (LE)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection           | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| LE 1      | CORE              | OO 21        | N/A        | PUBLIC     | Materiality analysis | 1             |

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**



### (3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors (1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors (1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period (1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion ○

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors ○

## MONITORING ESG TRENDS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection            | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------|---------------|
| LE 2      | CORE              | OO 21        | N/A        | PUBLIC     | Monitoring ESG trends | 1             |

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

### (3) Active - fundamental

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(A) Yes, we have a formal process that includes scenario analyses

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(B) Yes, we have a formal process, but it does not include scenario analyses

(1) for all of our AUM

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(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

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#### **(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)**

Our Public Equity teams refer to our UK Public Equity team, which invests in companies across the market cap spectrum from micro to large cap in the UK, and our Irish Public Equity team, which manages multi asset strategies - that we define as listed equities for the purpose of our PRI reporting and other public reporting - invest in global equities, listed alternative investment trusts, and sovereign bonds.

Our Public Equity teams integrate ESG considerations into the lifecycle of each investment. For new investments, this includes the identification and assessment of material ESG matters as part of pre-investment due diligence for investments and inclusion of ESG risks and opportunities in the Investment Committee papers submitted, where relevant.

As part of ongoing investment, during the holding period, our investment teams engage with boards and management teams, focusing on strategic, financial and operational matters, including ESG factors, and consistently use our voting rights. Changing ESG trends will be one factor, amongst others, that is reviewed and addressed as part of engagement with management.

The UK Public Equity investment team also carries out stock reviews on an ad hoc basis and/or where triggered by specific risk identifiers, whether company specific, sector-relevant or macroeconomic. This may include a review of the ESG risks and opportunities faced by a company.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| LE 3      | CORE              | OO 21        | N/A        | PUBLIC     | ESG incorporation in research | 1             |

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

#### (2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| LE 4      | CORE              | OO 21        | N/A        | PUBLIC     | ESG incorporation in research | 1             |

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

**(3) Active - fundamental**

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(1) in all cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(1) in all cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------------------------|---------------|
| LE 5      | PLUS              | OO 21        | N/A        | PUBLIC     | ESG incorporation in portfolio construction | 1             |

### Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

The UK Public Equity team invested into Carr's Group plc. This is a business which serves two end-markets – agriculture and nuclear engineering – and where ESG factors were an important consideration during the investment process.

As part of the first discussion paper ("Investment Appraisal") that was prepared for this investment (Dec-22), an initial view of potential "E", "S" and "G" factors was included as part of the team's "Conviction Score" for the opportunity.

Subsequently to this, a more comprehensive assessment was undertaken (and referenced in the final Investment Committee paper in Mar-23), making use of the Gresham House ESG decision tool.

Key factors that were considered included:

- Environmental (Agriculture division) – Carr's' supplements include products specifically designed to facilitate the reduction in soya/cereal/fertiliser/antibiotic use for ruminant farming, in addition to methane reduction. Specifically, one of Carr's' key products, Crystalx, has been demonstrated by researchers at Aberystwyth University to reduce methane output per kilogram of liveweight gain by almost 20%. We expect demand for this product to grow.
- Environmental (Engineering division) – The majority of this business comprises supporting the safe maintenance and decommissioning of civil nuclear infrastructure, most notably Sellafield (where Carr's provides a range of engineered services, including pressure vessels and shielding blocks), and Fukushima (where Carr's has provided robotics / handling equipment to help facilitate the clean-up operation there). We expect demand for nuclear expertise to grow, in particular in relation to managing these assets safely, following increased interest in the technology as part of the energy transition.

- Social – Carr’s’ long term success is inherently aligned with animal welfare (agriculture), pasture-based, sustainable farming (agriculture), and energy security and safety (engineering). The Group is a significant regional employer in the Cumbria area, in particular taking on and developing apprentices and school leavers who may otherwise have limited employment options in the region
- Governance – 1x independent non-exec Chair and 4x independent NEDs with a blend of sector and plc Board experience. Furthermore, both the Chair and CEO have strong track records in their respective roles at previous plc’s (Treatt plc / Devro plc respectively).

The ESG factors noted contributed to the overall conviction in the investment case and decision to invest.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------------------------|---------------|
| LE 6      | CORE              | OO 21        | N/A        | PUBLIC     | ESG incorporation in portfolio construction | 1             |

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

**(3) Active - fundamental**

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

| Indicator | Type of indicator | Dependent on      | Gateway to | Disclosure | Subsection          | PRI Principle |
|-----------|-------------------|-------------------|------------|------------|---------------------|---------------|
| LE 9      | CORE              | OO 17.1 LE, OO 21 | N/A        | PUBLIC     | ESG risk management | 1             |

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection          | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------|---------------|
| LE 10     | CORE              | OO 21        | N/A        | PUBLIC     | ESG risk management | 1             |

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

(2) Active - fundamental

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(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

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(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

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(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

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(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

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(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

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(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## PERFORMANCE MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| LE 11     | PLUS              | OO 21        | N/A        | PUBLIC     | Performance monitoring | 1             |

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

The Irish Public Equity team applies a higher cost of capital to those companies with higher ESG risks associated with them. They build the cost of capital calculations from a bottom-up perspective and material ESG risks can have a significant impact on cost of capital calculation and therefore valuations.

An example of ESG factors affecting the realised returns of an investment is that of Hanesbrands. Due to increased leverage and increased ESG risks related to the sourcing of raw materials and manufacturing that was not wholly owned, the team felt it necessary to increase the cost of capital relating to the Hanesbrands stock. This reduced the team's considered margin of safety and led to them exiting the position. The share price declined following the exit.

## DISCLOSURE OF ESG SCREENS

| Indicator | Type of indicator | Dependent on    | Gateway to | Disclosure | Subsection                | PRI Principle |
|-----------|-------------------|-----------------|------------|------------|---------------------------|---------------|
| LE 12     | CORE              | OO 17 LE, OO 21 | N/A        | PUBLIC     | Disclosure of ESG screens | 6             |

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# REAL ESTATE (RE)

## POLICY

### INVESTMENT GUIDELINES

| Indicator | Type of indicator | Dependent on        | Gateway to | Disclosure | Subsection            | PRI Principle |
|-----------|-------------------|---------------------|------------|------------|-----------------------|---------------|
| RE 1      | CORE              | OO 21, OO 24, OO 26 | N/A        | PUBLIC     | Investment guidelines | 1 to 6        |

What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- (B) Guidelines on our ESG approach to new construction
- (C) Guidelines on our ESG approach to major renovations
- (D) Guidelines on our ESG approach to standing real estate investments
- (E) Guidelines on pre-investment screening
- (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- (H) Guidelines on our approach to ESG reporting
- (I) Guidelines on our engagement approach related to third-party property managers
- (J) Guidelines on our engagement approach related to tenants
- (K) Guidelines on our engagement approach related to construction contractors
- (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection               | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------|---------------|
| RE 2      | CORE              | OO 21        | N/A        | PUBLIC     | Commitments to investors | 1, 4          |

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

# PRE-INVESTMENT

## MATERIALITY ANALYSIS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection           | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| RE 3      | CORE              | OO 21        | RE 3.1     | PUBLIC     | Materiality analysis | 1             |

During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?

- (A) We assessed ESG materiality for each property, as each case is unique
  - Select from dropdown list:
    - (1) for all of our potential real estate investments
      - (2) for a majority of our potential real estate investments
      - (3) for a minority of our potential real estate investments
    - (B) We performed a mix of property level and property type or category level ESG materiality analysis
    - (C) We assessed ESG materiality at the property type or category level only
    - (D) We did not conduct ESG materiality analysis for our potential real estate investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection           | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| RE 3.1    | CORE              | RE 3         | N/A        | PUBLIC     | Materiality analysis | 1             |

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?

- (A) We used GRI standards to inform our real estate ESG materiality analysis
- (B) We used SASB standards to inform our real estate ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis
- (H) We used green building certifications to inform our real estate ESG materiality analysis
- (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- (J) Other

Specify:

Walk score analysis; ONS income data to assess affordability; incorporating macroeconomic indicators (interest rates) into affordability assessments; EPC certificates

## DUE DILIGENCE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------|---------------|
| RE 4      | CORE              | OO 21        | N/A        | PUBLIC     | Due diligence | 1             |

During the reporting year, how did material ESG factors influence your selection of real estate investments?

(A) Material ESG factors were used to identify risks

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(B) Material ESG factors were discussed by the investment committee (or equivalent)

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(D) Material ESG factors were used to identify opportunities for value creation

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(G) Material ESG factors did not influence the selection of our real estate investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------|---------------|
| RE 5      | CORE              | OO 21        | N/A        | PUBLIC     | Due diligence | 1             |

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?

- (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (B) We send detailed ESG questionnaires to target properties
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (D) We conduct site visits**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (E) We conduct in-depth interviews with management and/or personnel**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (F) We conduct detailed external stakeholder analysis and/or engagement**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal**  
 Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential real estate investments

# SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

## SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------------------|---------------|
| RE 6      | CORE              | OO 21, OO 26 | N/A        | PUBLIC     | Selection process of third-party property managers | 1, 4          |

During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?

- (A) We requested information from potential third-party property managers on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party property managers on their management of material ESG factors
- (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- (F) Other
- (G) We did not include material ESG factors in our selection of third-party property managers

## APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                           | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------------------------|---------------|
| RE 7      | CORE              | OO 21, OO 26 | N/A        | PUBLIC     | Appointment process of third-party property managers | 1, 4          |

How did you include material ESG factors when appointing your current third-party property managers?

- (A) We set dedicated ESG procedures in all relevant property management phases  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- (B) We set clear ESG reporting requirements  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers
  - (3) for a minority of our third-party property managers
- (C) We set clear targets on material ESG factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers
- (D) We set incentives related to targets on material ESG factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers
- (E) We included responsible investment clauses in property management contracts
- (F) Other
- (G) We did not include material ESG factors in the appointment of third-party property managers

## MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                          | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------------------------------|---------------|
| RE 8      | CORE              | OO 21, OO 26 | N/A        | PUBLIC     | Monitoring process of third-party property managers | 1, 4          |

How do you include material ESG factors when monitoring current third-party property managers?

- (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

- (B) We monitor the performance of quantitative and/or qualitative targets on material social factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

- (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

- (D) We monitor progress reports on engagement with tenants

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

- (E) We require formal reporting at least yearly

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

- (F) We have discussions about material ESG factors with all relevant stakeholders at least yearly

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

(G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

(H) We have internal or external parties conduct site visits at least yearly

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers

(I) Other

(J) We do not include material ESG factors in the monitoring of third-party property managers

## CONSTRUCTION AND DEVELOPMENT

### CONSTRUCTION REQUIREMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------|---------------|
| RE 9      | CORE              | OO 21, OO 24 | N/A        | PUBLIC     | Construction requirements | 1             |

**What ESG requirements do you currently have in place for all development projects and major renovations?**

- (A) We require the management of waste by diverting materials (e.g. from construction and demolition, reusable vegetation, rocks and soil) from disposal
- (B) We require the minimisation of light and noise pollution that would affect the surrounding community
- (C) We require the performance of an environmental and social site impact assessment
- (D) We require the protection of the air quality during construction
- (E) We require the protection and restoration of the habitat and soils disturbed during construction and/or during previous development
- (F) We require the protection of surface water, groundwater and aquatic ecosystems by controlling and retaining construction pollutants
- (G) We require constant monitoring of health and safety at the construction site
- (H) We require engagement with local communities and other stakeholders during the design and/or planning process
- (I) Other
- (J) We do not have ESG requirements in place for development projects and major renovations



## MINIMUM BUILDING REQUIREMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| RE 10     | CORE              | OO 21, OO 24 | N/A        | PUBLIC     | Minimum building requirements | 1             |

### What minimum building requirements do you have in place for development projects and major renovations?

- (A) We require the implementation of the latest available metering and internet of things (IoT) technology**  
Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations**
  - (3) for a minority of our development projects and major renovations
- (B) We require the building to be able to obtain a recognised green and/or healthy building certification for new buildings
- (C) We require the use of certified (or labelled) sustainable building materials**  
Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations**
- (D) We require the installation of renewable energy technologies where feasible**  
Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations**
  - (3) for a minority of our development projects and major renovations
- (E) We require that development projects and major renovations become net-zero carbon emitters within five years of completion of the construction**  
Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations**
- (F) We require water conservation measures**  
Select from dropdown list:
  - (1) for all development projects and major renovations
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations**
- (G) We require common health and well-being measures for occupants**  
Select from dropdown list:
  - (1) for all development projects and major renovations**
  - (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations
- (H) Other
- (I) We do not have minimum building requirements in place for development projects and major renovations

# POST-INVESTMENT

## MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 11     | CORE              | OO 21        | RE 11.1    | PUBLIC     | Monitoring | 1             |

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(D) We did not track KPIs on material ESG factors across our real estate investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 11.1   | PLUS              | RE 11        | N/A        | PUBLIC     | Monitoring | 1             |

Provide examples of KPIs on material ESG factors you tracked across your real estate investments during the reporting year.

(A) ESG KPI #1

Scope 1 GHG emissions

(B) ESG KPI #2

Scope 2 GHG emissions

(C) ESG KPI #3

Scope 3 GHG emissions

(D) ESG KPI #4

Affordability ratio (rent to average incomes)

(E) ESG KPI #5

# homes constructed in the period

(F) ESG KPI #6

# homes committed to funding

(G) ESG KPI #7

(H) ESG KPI #8

(I) ESG KPI #9

(J) ESG KPI #10

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 12     | CORE              | OO 21        | N/A        | PUBLIC     | Monitoring | 1             |

During the reporting year, what ESG building performance data did you collect for your real estate assets?

(A) Energy consumption

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(B) Water consumption

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(C) Waste production

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(D) Other

- (E) We did not collect ESG building performance data for our real estate assets

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 13     | CORE              | OO 21, OO 26 | RE 13.1    | PUBLIC     | Monitoring | 1, 2          |

What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?

(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(B) We implement certified environmental and social management systems across our portfolio

(C) We make sufficient budget available to ensure that the systems and procedures needed are established

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(D) We hire external verification services to audit performance, systems, and procedures

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(F) We develop minimum health and safety standards

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(H) Other

(I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 13.1   | PLUS              | RE 13        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.**

(A) Process one

In 2022 we introduced the UK Housing ESG Decision Tool. The Tool is a key component of Gresham House's approach to ESG integration. The Decision Tool requires the investment team to analyse how ESG risk factors impact the investment case of a transaction. It is tied to the six core environmental and social themes of the Housing Sustainable Investment Framework. It contains two core parts: an initial evaluation and detailed questionnaire. The Tool asks investment teams questions across a range of core ESG issues, the results of which shape the due diligence process and provide material ESG factors to be tracked, monitored, and managed over time.

(B) Process two

The UK Housing Sustainable Investment Framework was developed to identify where we believe we should be directing our focus to achieve more sustainable outcomes for prospective investments. It is based around six core environmental and social themes that are common to all of Gresham House's UK Housing funds. The Framework is used as part of strategy development where the Investment Team are required to identify the social and/or environmental factors they want the investment strategy to focus on.

Once these factors have been selected, this can then be used to articulate to investors the core social/environmental focus areas of the strategy. KPIs related to the selected factors will be identified and highlighted as priority measures in the KPI Bank. Then throughout the holding period, the factors and their associated KPIs will be monitored and subsequently managed, if necessary.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 14     | CORE              | OO 21        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?**

**(A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments**
- (3) for a minority of our real estate investments

**(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments**
- (3) for a minority of our real estate investments

(C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments
- (D) Other
- (E) We do not manage material ESG risks and opportunities post-investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 15     | PLUS              | OO 21        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe how you ensure that material ESG risks are adequately addressed in the real estate investments where you hold a minority stake.**

Within UK Housing, the ESG Decision Tool is a key component of our approach to ESG integration. The Decision Tool requires the investment team to analyse how ESG risk factors impact the investment case of any transaction, regardless of ownership stake. It is tied to the six core environmental and social themes of the Housing Sustainable Investment Framework. It contains two core parts: an initial evaluation and detailed questionnaire. The Tool asks investment teams questions across a range of core ESG issues, the results of which shape the due diligence process and provide material ESG factors to be tracked, monitored, and managed over time.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 16     | PLUS              | OO 21        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.**

Within UK Housing, our ESG objective is to deliver sustainable housing, which we define as housing that provides residents with affordable homes that are high quality, safe and energy efficient whilst ensuring a long-term stability of tenure. We offer long term equity investments into UK housing, through listed and unlisted housing investment vehicles, each focused on addressing different areas of the affordable housing challenge. Each fund aims to deliver stable and secured inflation linked returns whilst providing social and environmental benefits to our residents, the local community and the wider economy. Our investment focus includes shared ownership, affordable private rented accommodation, retirement, temporary accommodation and social housing.

Our Housing investment strategy aligns with sustainable development goals by improving access to fit-for-purpose, affordable, quality housing for people who need it but may otherwise have barriers to accessing it. We place emphasis on understanding the needs, ambitions and concerns of relevant stakeholders to each asset, ranging from aspiring homeowners, the elderly population and those otherwise homeless, to housing managers and the wider community. We have an outcomes focused approach to the review and analysis of the potential environmental, social and local economic aspects and impacts of an asset. This includes the positive outcomes it is capable of delivering as well as any potential ESG risks and avoidable negative outcomes to be managed over its lifetime. This analysis forms part of our Investment Committee decision making alongside other due diligence reports. We are committed to raising standards of ESG integration and management within our industry through leading by example and demonstrating the value creation and protection of stakeholder interests delivered by this approach. We have environmental goals for all our properties, as appropriate for their tenure, age and type, and formalised commitments to our residents within our shared ownership portfolio. We actively monitor and evaluate relevant data relating to the impact and wider sustainability performance of the housing assets in our management, assessing if they are fulfilling their positive outcome potential, particularly in social value, and that we are effectively managing the environmental impacts of housing.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 17     | CORE              | OO 21        | N/A        | PUBLIC     | Monitoring | 1             |

**What proportion of your real estate assets has obtained a green or sustainable building certification?**

- (A) All of our real estate assets have obtained a green or sustainable building certification
- (B) A majority of our real estate assets have obtained a green or sustainable building certification
- (C) A minority of our real estate assets have obtained a green or sustainable building certification
- (D) None of our real estate assets have obtained a green or sustainable building certification

## STAKEHOLDER ENGAGEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| RE 18     | CORE              | OO 21        | N/A        | PUBLIC     | Stakeholder engagement | 1, 2          |

### How does your third-party property manager(s) engage with tenants?

- (A) They engage with real estate tenants on energy, water consumption and/or waste production**  
 Select from dropdown list:
- (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties
  - (3) for a minority of our buildings or properties**
- (B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance**  
 Select from dropdown list:
- (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties**
  - (3) for a minority of our buildings or properties
- (C) They engage with real estate tenants by offering green leases
- (D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors**  
 Select from dropdown list:
- (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties**
  - (3) for a minority of our buildings or properties
- (E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades**  
 Select from dropdown list:
- (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties**
  - (3) for a minority of our buildings or properties
- (F) Other
- (G) Our third-party property manager(s) do not engage with tenants

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| RE 19     | PLUS              | OO 21        | N/A        | PUBLIC     | Stakeholder engagement | 1, 2          |

### During the reporting year, how did you or the organisations operating on your behalf engage with the local community above and beyond what is required by relevant regulations for asset design, use and/or repurposing?



Within our UK Housing portfolio, we regularly engage with residents. We use a mixture of customer surveys and feedback at the point of service, i.e., marketing, moving in, carrying out improvements and staircasing, to inform required service improvements and areas of concern. In addition, interviews with residents are carried out as part of The Good Economy's impact report.

We also engage with the relevant local authority to ensure the best outcomes are achieved for local communities. For each development site we will discuss our plans with the local authority and get their support for the provision of our homes before we approach Homes England or the GLA for grant to support scheme. In the case of some acquisitions, Local Authority (LA) approval may be required for the Fund to legally commit to an acquisition. As an example, Cornwall Council's approval was required for the Fund to acquire its 469 shared ownership homes from the Cornish housing association, Ocean Housing. The investment team met with Cornwall Council to explain how the acquisition would benefit the local area through injecting £47mn of equity into Ocean Housing, to be reinvested into the development of new affordable homes in the area.

## EXIT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| RE 20     | CORE              | OO 21        | N/A        | PUBLIC     | Exit       | 4, 6          |

### During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment of the property(s)
- (F) Key ESG performance data on the property(s) being sold
- (G) Other
- (H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year
- (I) **Not applicable; we had no sales process (or control over the sales process) during the reporting year**

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------------------|---------------|
| RE 21     | CORE              | OO 21        | N/A        | PUBLIC     | Disclosure of ESG portfolio information | 6             |

### During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?

- (A) **We reported through a publicly disclosed sustainability report**
- (B) **We reported in aggregate through formal reporting to investors**
- (C) **We reported at the property level through formal reporting to investors**
- (D) **We reported through a limited partners advisory committee (or equivalent)**
- (E) **We reported at digital or physical events or meetings with investors**
- (F) **We had a process in place to ensure that serious ESG incidents were reported**
- (G) Other

- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

# INFRASTRUCTURE (INF)

## POLICY

### INVESTMENT GUIDELINES

| Indicator | Type of indicator | Dependent on        | Gateway to | Disclosure | Subsection            | PRI Principle |
|-----------|-------------------|---------------------|------------|------------|-----------------------|---------------|
| INF 1     | CORE              | OO 21, OO 29, OO 30 | N/A        | PUBLIC     | Investment guidelines | 1 to 6        |

What infrastructure-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to each infrastructure sector and geography where we invest
- (B) Guidelines on our ESG approach to greenfield investments
- (C) Guidelines on our ESG approach to brownfield investments
- (D) Guidelines on pre-investment screening
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to ESG reporting
- (H) Guidelines on our engagement approach related to the workforce
- (I) Guidelines on our engagement approach related to third-party operators
- (J) Guidelines on our engagement approach related to contractors
- (K) Guidelines on our engagement approach related to other external stakeholders, e.g. governments, local communities, and end-users
- (L) Our responsible investment policy(ies) does not cover infrastructure-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection               | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------|---------------|
| INF 2     | CORE              | OO 21        | N/A        | PUBLIC     | Commitments to investors | 1, 4          |

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection           | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| INF 3     | CORE              | OO 21        | INF 3.1    | PUBLIC     | Materiality analysis | 1             |

During the reporting year, how did you conduct ESG materiality analysis for your potential infrastructure investments?

- (A) We assessed ESG materiality at the asset level, as each case is unique
  - Select from dropdown list
    - (1) for all of our potential infrastructure investments
      - (2) for a majority of our potential infrastructure investments
      - (3) for a minority of our potential infrastructure investments
    - (B) We performed a mix of industry-level and asset-level ESG materiality analyses
    - (C) We assessed ESG materiality at the industry level only
    - (D) We did not conduct ESG materiality analysis for our potential infrastructure investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection           | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| INF 3.1   | CORE              | INF 3        | N/A        | PUBLIC     | Materiality analysis | 1             |

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?

- (A) We used GRI standards to inform our infrastructure ESG materiality analysis
- (B) We used SASB standards to inform our infrastructure ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our infrastructure ESG materiality analysis
- (D) We used the GRESB Materiality Assessment (RC7) or similar to inform our infrastructure ESG materiality analysis
- (E) We used the environmental and social factors detailed in the IFC Performance Standards (or similar standards used by development finance institutions) in our infrastructure ESG materiality analysis
- (F) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our infrastructure ESG materiality analysis
- (G) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our infrastructure ESG materiality analysis
- (H) We used geopolitical and macro-economic considerations in our infrastructure ESG materiality analysis
- (I) We engaged with existing owners and/or managers (or developers for new infrastructure assets) to inform our infrastructure ESG materiality analysis
- (J) Other

## DUE DILIGENCE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------|---------------|
| INF 4     | CORE              | OO 21        | N/A        | PUBLIC     | Due diligence | 1             |

During the reporting year, how did material ESG factors influence the selection of your infrastructure investments?

**(A) Material ESG factors were used to identify risks**

Select from dropdown list

- (1) for all of our potential infrastructure investments**
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

**(B) Material ESG factors were discussed by the investment committee (or equivalent)**

Select from dropdown list

- (1) for all of our potential infrastructure investments**
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

**(C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)**

Select from dropdown list

- (1) for all of our potential infrastructure investments**
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

**(D) Material ESG factors were used to identify opportunities for value creation**

Select from dropdown list

- (1) for all of our potential infrastructure investments**
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

**(E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate**

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments**

**(F) Material ESG factors impacted investments in terms of the price offered and/or paid**

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments**

**(G) Material ESG factors did not influence the selection of our infrastructure investments**

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------|---------------|
| INF 5     | CORE              | OO 21        | N/A        | PUBLIC     | Due diligence | 1             |

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential infrastructure investments?

- (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (B) We send detailed ESG questionnaires to target assets
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (D) We conduct site visits**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (E) We conduct in-depth interviews with management and/or personnel**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (F) We conduct detailed external stakeholder analyses and/or engagement**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential infrastructure investments

# SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY OPERATORS

## SELECTION PROCESS OF THIRD-PARTY OPERATORS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------------------------|---------------|
| INF 6     | CORE              | OO 21, OO 30 | N/A        | PUBLIC     | Selection process of third-party operators | 1, 4          |

During the reporting year, how did you include material ESG factors in all of your selections of third-party operators?

- (A) We requested information from potential third-party operators on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party operators on how they manage material ESG factors
- (C) We requested information from potential third-party operators on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party operators on their responsible procurement and/or contractor practices, including responsibilities, approach, and incentives
- (E) Other  
Specify:

We sent out a modern slavery questionnaire to all New Energy suppliers, expanding the scope from solar suppliers to the suppliers of all main New Energy technology components.

- (F) We did not include material ESG factors in our selection of third-party operators

## APPOINTMENT PROCESS OF THIRD-PARTY OPERATORS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                   | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------------------|---------------|
| INF 7     | CORE              | OO 21, OO 30 | N/A        | PUBLIC     | Appointment process of third-party operators | 1, 4          |

How did you include material ESG factors when appointing your current third-party operators?

- (A) We set clear and detailed expectations for incorporating material ESG factors into all relevant elements of infrastructure asset management  
Select from dropdown list
  - (1) for all of our third-party operators
  - (2) for a majority of our third-party operators
  - (3) for a minority of our third-party operators
- (B) We set clear ESG reporting requirements  
Select from dropdown list
  - (1) for all of our third-party operators
  - (2) for a majority of our third-party operators
  - (3) for a minority of our third-party operators
- (C) We set clear targets for material ESG factors

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators**
- (3) for a minority of our third-party operators

(D) We set incentives related to targets on material ESG factors

(E) Other

- (F) We did not include material ESG factors when appointing third-party operators

## MONITORING PROCESS OF THIRD-PARTY OPERATORS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------------------------|---------------|
| INF 8     | CORE              | OO 21, OO 30 | N/A        | PUBLIC     | Monitoring process of third-party operators | 1, 4          |

### How do you include material ESG factors when monitoring current third-party operators?

**(A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors**

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators**
- (3) for a minority of our third-party operators

**(B) We monitor the performance of quantitative and/or qualitative targets on material social factors**

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators**
- (3) for a minority of our third-party operators

**(C) We monitor the performance of quantitative and/or qualitative targets on material governance factors**

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators**
- (3) for a minority of our third-party operators

**(D) We require formal reporting at least yearly**

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators**
- (3) for a minority of our third-party operators

**(E) We have discussions about material ESG factors with all relevant stakeholders at least yearly**

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators**
- (3) for a minority of our third-party operators

(F) We conduct a performance review of third-party operators against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors

**(G) We have internal or external parties conduct site visits at least yearly**

Select from dropdown list

- (1) for all of our third-party operators
- (2) for a majority of our third-party operators**
- (3) for a minority of our third-party operators

(H) Other

- (I) We do not include material ESG factors in the monitoring of third-party operators

# POST-INVESTMENT

## MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 9     | CORE              | OO 21        | INF 9.1    | PUBLIC     | Monitoring | 1             |

During the reporting year, did you track one or more KPIs on material ESG factors across your infrastructure investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

- (D) We did not track KPIs on material ESG factors across our infrastructure investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 9.1   | PLUS              | INF 9        | N/A        | PUBLIC     | Monitoring | 1             |

Provide examples of KPIs on material ESG factors you tracked across your infrastructure investments during the reporting year.

(A) ESG KPI #1

Waste diverted from landfills (tonnes)

(B) ESG KPI #2

Biodiversity created (Ha)



- (C) ESG KPI #3  
Low-carbon energy generated (MW)
- (D) ESG KPI #4  
Homes connected to internet (#)
- (E) ESG KPI #5  
Staff on living wage or higher (%)
- (F) ESG KPI #6  
Battery energy discharged to the grid (MWh)
- (G) ESG KPI #7  
GHG emissions avoided or reduced (tCO2e)
- (H) ESG KPI #8  
Community benefits payments made (£)
- (I) ESG KPI #9  
Health & safety incidents (#)
- (J) ESG KPI #10  
Habitat management plans in place (#)

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 10    | CORE              | OO 21, OO 30 | INF 10.1   | PUBLIC     | Monitoring | 1, 2          |

**What processes do you have in place to support meeting your targets on material ESG factors for your infrastructure investments?**

- (A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance  
Select from dropdown list
  - (1) for all of our infrastructure investments
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessments and analyses
- (C) We implement certified environmental and social management systems across our portfolio
- (D) We make sufficient budget available to ensure that the systems and procedures needed are established  
Select from dropdown list
  - (1) for all of our infrastructure investments
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (E) We hire external verification services to audit performance, systems, and procedures  
Select from dropdown list
  - (1) for all of our infrastructure investments
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (F) We collaborate and engage with our third-party operators to develop action plans

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(G) We develop minimum health and safety standards

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(H) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(I) Other

- (J) We do not have processes in place to help meet our targets on material ESG factors for our infrastructure investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 10.1  | PLUS              | INF 10       | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.**

(A) Process one

We worked with our portfolio company, GoFibre, to establish and implement a comprehensive Diversity, Equity, and Inclusion (DE&I) policy. During our board meetings, we consistently monitored key DE&I metrics, including gender diversity within their workforce. We also initiated a monthly reporting process for ESG KPIs using our internal tracking software. This facilitates both us and our portfolio companies in assessing their progress on their ESG journey and reviewing their ESG strategy.

(B) Process two

A material ESG risk for the New Energy team is potential reputational and operational supply chain risks associated with supply chains for the battery and solar assets. The team therefore engaged RCS Global Group (RCS), a global responsible sourcing assurance and advisory business, to conduct an audit of CATL, the team's primary supplier of batteries in 2022. The purpose of the audit was to better understand CATL's approach towards and policies for managing its supply chain, particularly in the key risk areas of labour and the environment, and to receive feedback from RCS on the team's supply chain policy. A key component (cathode) supplier was also audited to determine RCS's capabilities and audit reach in this regard.

CATL's policies were comprehensively reviewed by RCS with respect to key risks and found to be satisfactory. However, an audit of a key component supplier showed that CATL may be facing challenges in ensuring its supply chain policies are implemented by its supply chain. The audit verified that CATL had a framework in place to manage ESG risks.

This provided comfort to New Energy team's Battery Storage Fund Board that its main supplier is committed to responsible business practices and has comprehensive policies in place. The audit highlighted however that more work is required by CATL to ensure companies further down the supply chain meet the same standards. Whilst the information did not impact on the team's construction or asset management decisions, useful feedback was obtained that will lead to an update of the New Energy team's Supply Chain Policy. The study also provided a framework to carry out audits on future battery suppliers and the supply chain under CATL and other BESS suppliers.

Next steps for the team include updating the New Energy team's Supply Chain Policy to reflect relevant standards for compliance, and assessing whether/how the team, as a key customer, can influence BESS suppliers' promotion of their policies further down the supply chain.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 11    | CORE              | OO 21        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?**

**(A) We develop asset-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

**(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

**(C) We, or the external advisors that we hire, support our infrastructure investments with specific ESG value-creation opportunities**

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

**(D) Other**

- (E) We do not manage material ESG risks and opportunities post-investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 12    | PLUS              | OO 21        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe how you ensure that material ESG risks are adequately addressed in the infrastructure investments where you hold a minority stake.**

We usually hold a majority stake in our investments. In the few cases we hold a minority stake, we employ the following strategies:

- We conduct thorough ESG due diligence during the investment decision-making process, regardless of the stake size. This involves assessing the potential ESG impacts and risks associated with the investment.
- Despite having a minority stake, we actively engage with the majority stakeholders and management teams in addressing ESG concerns.
- We monitor ESG KPIs on a monthly basis through-out the lifecycle of the investment.
- We utilize our voting rights as minority shareholders and our position on the board to advocate for ESG-related resolutions and best practices within the investment projects.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 13    | PLUS              | OO 21        | N/A        | PUBLIC     | Monitoring | 2             |

**Describe how your ESG action plans are defined, implemented and monitored throughout the investment period.**

**Sustainable Infrastructure**

The Gresham House ESG Decision tool is a key component of Gresham House's approach to ESG and climate-related risk integration and is applied to all investment divisions. The ESG Decision tool requires the investment team to analyse how a broad range of ESG risks – including climate-related risks – may impact upon a proposed investment. The outcomes of the ESG Decision Tool shape the due diligence process and provide rational ESG factors to be tracked, monitored, and managed over time by our investment teams.

The investment team actively monitors and evaluates relevant data relating to the impact and wider sustainability performance of the assets under management, assessing if they are fulfilling their impact potential. This supports the analysis of the fund's contribution to sustainable development, particularly meeting the challenge of climate change.

Gresham House has a dedicated Sustainable Investment Team which conducts regular audits to ensure ESG processes applied by investment teams meet comply with the Sustainable Infrastructure Sustainable Investment Policy. ESG KPIs are agreed prior to investment following analysis against the impact framework. All companies report against these KPIs on a monthly basis, which is supplemented using the annual ESG survey. This allows the investment team to track progress against the stated ESG-related goals.

**New Energy**

The New Energy team integrates ESG considerations into the lifecycle of each investment by carrying out an assessment of material ESG matters at due diligence stage. This includes the application of the ESG Decision Tool to uncover material ESG risks that need to be mitigated and monitored and to identify ESG opportunities that have the potential to drive value, now or in the future.

Where necessary specialist consultants are engaged to support the diligence process and a summary of the ESG analysis is discussed with the Investment Committee. Investment recommendations to Investment Committees include an assessment of material ESG risks and opportunities identified in due diligence which are then factored into the decision-making process. Appropriate risk mitigation approaches will also be referenced and assurance that the business is open to making improvements is sought. If certain risks are unlikely to be manageable or mitigated, the team may choose not to proceed at this stage.

The team aims to construct and operate our projects with minimal disruption to local communities and the environment. Construction and operational contractors are subject to ongoing review and the requirement to manage material ESG risks is included in contract terms. Compliance with planning conditions is stringently adhered to and monitored. Health and safety data is already regularly monitored by the asset management team and remedial action is taken where required.

The team continues to assess how it can enhance positive environmental and social impacts of our projects. The team has started gathering more ESG data on a regular basis and intends to review the data, once more comprehensive and complete, to identify potential areas for operational enhancement or to better manage risks.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 14    | CORE              | OO 21        | INF 14.1   | PUBLIC     | Monitoring | 1, 2          |

#### How do you ensure that adequate ESG-related competence exists at the asset level?

- (A) We assign our board responsibility for ESG matters**  
 Select from dropdown list
  - (1) for all of our infrastructure investments**
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (B) We ensure that material ESG matters are discussed by our board at least yearly**  
 Select from dropdown list
  - (1) for all of our infrastructure investments**
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (C) We provide training on ESG aspects and management best practices relevant to the asset to C-suite executives only
- (D) We provide training on ESG aspects and management best practices relevant to the asset to employees (excl. C-suite executives)**  
 Select from dropdown list
  - (1) for all of our infrastructure investments**
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (E) We support the asset by finding external ESG expertise, e.g. consultants or auditors**  
 Select from dropdown list
  - (1) for all of our infrastructure investments**
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (F) We share best practices across assets, e.g. educational sessions and the implementation of environmental and social management systems**  
 Select from dropdown list
  - (1) for all of our infrastructure investments**
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (G) We apply penalties or incentives to improve ESG performance in management remuneration schemes
- (H) Other
- (I) We do not ensure that adequate ESG-related competence exists at the asset level

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 14.1  | PLUS              | INF 14       | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe up to two initiatives adopted as part of your ESG competence-building efforts at the asset level during the reporting year.**

(A) Initiative one

Our centralized ESG teams organized multiple training sessions covering various ESG topics for our management teams. The objective was to equip them with the knowledge and skills necessary to seamlessly integrate ESG factors into their business plans.

(B) Initiative two

A New Energy Sustainability Committee was established in 2022 to provide training, discussion and direction for our New Energy assets in relation to sustainability topics. This ensures New Energy team colleagues are kept up to date with industry initiatives, emerging sustainability-related regulation. The forum also drives the evolution and actioning of practices to enhance sustainability initiatives across the team and assets. The New Energy team also received training on sustainable investment during the year, led by a member of the Sustainable Investment Team.

## STAKEHOLDER ENGAGEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| INF 15    | PLUS              | OO 21        | N/A        | PUBLIC     | Stakeholder engagement | 1, 2          |

**How do you ensure that appropriate stakeholder engagement is carried out during both due diligence for potential investments and the ongoing monitoring of existing investments?**

Sustainable Infrastructure

We follow a comprehensive approach to conduct stakeholder engagement during both the due diligence phase for potential investments and the ongoing monitoring of existing investments:

- **Identifying Key Stakeholders:** We begin by identifying the key stakeholders relevant to each investment. This includes not only shareholders and management teams but also local communities, customers, employees, suppliers, regulators. We map the identified stakeholders to understand their interests, concerns, and potential impacts on the investment. This mapping helps prioritize engagement efforts.
- **Inclusive and Transparent Communication:** During due diligence, we initiate open and transparent communication with stakeholders to seek their input and understand their perspectives on potential ESG/other risks and opportunities associated with the investment.
- **Regular Dialogues:** For ongoing investments, we maintain regular dialogues with stakeholders to ensure continuous communication and responsiveness to their concerns.
- **Partnership with External Experts:** We may collaborate with external experts, such as local consultants, sustainability advisors, to gain a deeper understanding of local stakeholder dynamics.

- Integration into Investment Decisions: Insights gathered from stakeholder engagement are integrated into investment decision-making processes. This ensures that potential ESG risks and opportunities are adequately considered.

### New Energy

Engagement is a key part of the investment process for New Energy assets both prior to project development and approval, and on an ongoing basis.

Prior to development, the engagement approach in relation to the battery energy storage systems (BESS) and solar and wind activities is primarily focused on our work with developers, landowners, planning authorities, contractors and equipment suppliers during the development and contracting/procurement/construction process, as well as investors.

During the operational phase of the project, we will engage with several stakeholders including local communities, insurers, operations & maintenance contractors, asset optimisers (traders), the Environment Agency, and even local fire services to ensure they are familiar with how batteries behave in the unfortunate event of a fire (which has not happened on our sites to date).

Engagement is focused to maximise the efficient operation of BESS that help balance the UK electricity grid, and the efficient operation of solar and wind assets, allowing them to optimise the use of renewable energy generation in the UK electricity generation system. The team regularly engages with industry bodies and regulators to encourage policies that support the decarbonisation of energy systems.

For example, the New Energy team submitted a response to the government Review of Electricity Market Arrangements (REMA) consultation in 2022. The REMA consultation aimed to provide the government with recommendations on how the UK can reform electricity markets to achieve its target of decarbonising the electricity system by 2035. The team also regularly engages with other relevant parties, including BEIS, National Grid Electricity System Operator ESO and consultants, to support market changes.

## EXIT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| INF 16    | CORE              | OO 21        | N/A        | PUBLIC     | Exit       | 4, 6          |

### During the reporting year, what responsible investment information was shared with potential buyers of infrastructure investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company
- (F) Key ESG performance data on the asset or portfolio company being sold
- (G) Other
- (H) No responsible investment information was shared with potential buyers of infrastructure investments during the reporting year
- (I) **Not applicable; we had no sales process (or control over the sales process) during the reporting year**

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------------------|---------------|
| INF 17    | CORE              | OO 21        | N/A        | PUBLIC     | Disclosure of ESG portfolio information | 6             |

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly-disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the asset level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

## PRIVATE EQUITY (PE)

### POLICY

#### INVESTMENT GUIDELINES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection            | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------|---------------|
| PE 1      | CORE              | OO 21        | N/A        | PUBLIC     | Investment guidelines | 1 to 6        |

What private equity-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to the sector(s) and geography(ies) where we invest
- (B) Guidelines on our ESG approach tailored to the strategy(ies) and company stage(s) where we invest, e.g. venture capital, buy-out and distressed
- (C) Guidelines on pre-investment screening
- (D) Guidelines on minimum ESG due diligence requirements
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to monitoring ESG risks, ESG opportunities and ESG incidents
- (H) Guidelines on our approach to ESG reporting
- (I) Our responsible investment policy(ies) does not cover private equity-specific ESG guidelines



## FUNDRAISING

### COMMITMENTS TO INVESTORS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection               | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------|---------------|
| PE 2      | CORE              | OO 21        | N/A        | PUBLIC     | Commitments to investors | 1, 4          |

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon clients' request
- (C) We added responsible investment commitments in side letters upon clients' request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection           | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| PE 3      | CORE              | OO 21        | PE 3.1     | PUBLIC     | Materiality analysis | 1             |

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- (A) We assessed ESG materiality at the portfolio company level, as each case is unique
  - Select from dropdown list
    - (1) for all of our potential private equity investments
    - (2) for the majority of our potential private equity investments
    - (3) for a minority of our potential private equity investments
- (B) We performed a mix of industry-level and portfolio company-level ESG materiality analyses
- (C) We assessed ESG materiality at the industry level only
- (D) We did not conduct ESG materiality analyses for our potential private equity investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection           | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------|---------------|
| PE 3.1    | CORE              | PE 3         | N/A        | PUBLIC     | Materiality analysis | 1             |

**During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?**

- (A) We used GRI standards to inform our private equity ESG materiality analysis
- (B) We used SASB standards to inform our private equity ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our private equity ESG materiality analysis
- (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards used by development-focused financial institutions) in our private equity ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our private equity ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our private equity ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our private equity ESG materiality analysis
- (H) We engaged with the prospective portfolio company to inform our private equity ESG materiality analysis
- (I) Other  
Specify:

We have developed a division specific ESG tool which includes mind maps and structured questions to help guide our Investment Managers through the process of identifying material issues in each target and portfolio company.

## DUE DILIGENCE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------|---------------|
| PE 4      | CORE              | OO 21        | N/A        | PUBLIC     | Due diligence | 1             |

**During the reporting year, how did material ESG factors influence the selection of your private equity investments?**

- (A) Material ESG factors were used to identify risks  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for the majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for the majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for the majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (D) Material ESG factors were used to identify opportunities for value creation  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for the majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments

**(E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate**

Select from dropdown list

- (1) for all of our potential private equity investments**
- (2) for the majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

**(F) Material ESG factors impacted investments in terms of the price offered and/or paid**

Select from dropdown list

- (1) for all of our potential private equity investments**
- (2) for the majority of our potential private equity investments
- (3) for a minority of our potential private equity investments
- (G) Material ESG factors did not influence the selection of our private equity investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------|---------------|
| PE 5      | CORE              | OO 21        | N/A        | PUBLIC     | Due diligence | 1             |

**Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential private equity investments?**

**(A) We do a high-level or desktop review using an ESG checklist for initial red flags**

Select from dropdown list

- (1) for all of our potential private equity investments**
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

**(B) We send detailed ESG questionnaires to target companies**

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments**

**(C) We hire third-party consultants to do technical due diligence on specific material ESG factors**

Select from dropdown list

- (1) for all of our potential private equity investments**
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

**(D) We conduct site visits**

Select from dropdown list

- (1) for all of our potential private equity investments**
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

**(E) We conduct in-depth interviews with management and/or personnel**

Select from dropdown list

- (1) for all of our potential private equity investments**
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

**(F) We conduct detailed external stakeholder analyses and/or engagement**

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting, and legal

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(I) Other

(J) We do not conduct due diligence on material ESG factors for potential private equity investments

## POST-INVESTMENT

### MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 6      | CORE              | OO 21        | PE 6.1     | PUBLIC     | Monitoring | 1             |

During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(D) We did not track KPIs on material ESG factors across our private equity investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 6.1    | PLUS              | PE 6         | N/A        | PUBLIC     | Monitoring | 1             |

**Provide examples of KPIs on material ESG factors you tracked across your private equity investments during the reporting year.**

(A) ESG KPI #1

Board gender diversity (%)

(B) ESG KPI #2

GHG Scope 1 emissions

(C) ESG KPI #3

GHG Scope 2 emissions

(D) ESG KPI #4

Independent Chairperson (%)

(E) ESG KPI #5

(F) ESG KPI #6

(G) ESG KPI #7

(H) ESG KPI #8

(I) ESG KPI #9

(J) ESG KPI #10

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 7      | CORE              | OO 21        | PE 7.1     | PUBLIC     | Monitoring | 1, 2          |

**What processes do you have in place to support meeting your targets on material ESG factors for your private equity investments?**

(A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance

Select from dropdown list

(1) for all of our private equity investments

(2) for a majority of our private equity investments

(3) for a minority of our private equity investments

(B) We implement international best practice standards, such as the IFC Performance Standards, to guide ongoing assessments and analyses

(C) We implement certified environmental and social management systems across our portfolio

(D) We make sufficient budget available to ensure that the systems and procedures needed are established

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(E) We hire external verification services to audit performance, systems, and procedures

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(F) We conduct ongoing engagement with all key stakeholders at the portfolio company level, e.g. local communities, NGOs, governments, and end-users

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(G) We implement 100-day plans, ESG roadmaps and similar processes

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(H) Other

- (I) We do not have processes in place to help meet our targets on material ESG factors for our private equity investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 7.1    | PLUS              | PE 7         | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe up to two processes you have put in place during the reporting year to help meet your targets on material ESG factors.**

(A) Process one

ESG survey - In 2022 we undertook our second annual ESG survey to understand how the unquoted investments held within our VCT portfolios are responding to relevant ESG risks and opportunities and how these are considered as part of their operations. The survey asked unquoted investee businesses a range of questions based on the ESG\_VC framework across a range of material environmental, social and governance factors. It asked them to indicate the relevance of those material ESG factors to their business, as well as their ability to influence those factors.

(B) Process two

ESG webinar series - Following last year's ESG survey, we committed to holding a series of educational webinars for the Chairs, CEOs and executives of unquoted and quoted investee businesses to enhance their knowledge of material ESG issues. The webinar series aims to provide a toolkit for investee businesses to better integrate ESG and sustainability into their businesses, and covers:

- Education and materiality - understanding ESG, its importance and how to identify material ESG issues
- Governance - how to optimise governance structures to identify and manage ESG risks and opportunities
- Strategy - how to set a sustainability strategy and develop an ESG policy
- Risk management - how to incorporate ESG into risk management processes
- Metrics and targets - how to set measurable ESG KPIs and targets

The webinars are recorded for those unable to attend and for future reference. We aim to continue the series on a quarterly basis moving through 2023 and beyond.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 8      | PLUS              | OO 21        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe material ESG risks and ESG opportunities that you integrate into your 100-day plans, including those accountable for their successful completion and how the process is monitored.**

Material ESG-related risks and opportunities may be identified through our ESG Decision Tool, ESG Survey (pre-investment), or any other due diligence workstream (e.g., Legal, Financial, Technology, etc.). Risks and opportunities are then included on a 100-day plan that is prepared by the investment deal team. The 100-day plan is then owned by the lead portfolio executive (may be the same as the deal lead). The lead portfolio executive and the company board are accountable for completing the 100-day plan. The annual ESG Survey provides another mechanism to monitor the successful completion of initiatives to address material ESG risks and opportunities.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 9      | CORE              | OO 21        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?**

**(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(C) We, or the external advisors that we hire, support our private equity investments with specific ESG value-creation opportunities

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(D) We engage with the board to manage ESG risks and ESG opportunities post-investment

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(E) Other

- (F) We do not manage material ESG risks and opportunities post-investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 10     | PLUS              | OO 21        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe how you ensure that material ESG risks are adequately addressed in the private equity investments in which you hold a minority stake.**

We assign the board responsibility for ESG matters.

We mandate that material ESG matters are discussed by the board at least once a year.

We provide training on ESG aspects and management best practices relevant to the portfolio company.

We support the portfolio company in developing and implementing its ESG strategy.

We review ESG risks and opportunities as part of our quarterly review and valuations process.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 11     | PLUS              | OO 21        | N/A        | PUBLIC     | Monitoring | 2             |

**Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.**

We develop ESG action plans for each portfolio company based on ESG due diligence findings and the annual ESG Survey. ESG risks and opportunities are broken down into annual objectives. Portfolio companies report on their progress against these objectives as part of their normal board reporting. We review progress against the annual ESG objectives for each portfolio company as part of our quarterly review and valuations process.



| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 12     | CORE              | OO 21        | PE 12.1    | PUBLIC     | Monitoring | 1, 2          |

**How do you ensure that adequate ESG-related competence exists at the portfolio company level?**

**(A) We assign the board responsibility for ESG matters**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(B) We ensure that material ESG matters are discussed by the board at least yearly**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(E) We support the portfolio company in developing and implementing its ESG strategy**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(F) We support portfolio companies by finding external ESG expertise, e.g. consultants or auditors**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

**(G) We share best practices across portfolio companies, e.g. educational sessions or the implementation of environmental and social management systems**

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(H) We include penalties or incentives to improve ESG performance in management remuneration schemes

(I) Other

(J) We do not ensure that adequate ESG-related competence exists at the portfolio company level

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 12.1   | PLUS              | PE 12        | N/A        | PUBLIC     | Monitoring | 1, 2          |

**Describe up to two initiatives taken as part of your ESG competence-building efforts at the portfolio company level during the reporting year.**

(A) Initiative 1

ESG survey. In 2022 we undertook our second annual ESG survey to understand how the unquoted investments held within our VCT portfolios are responding to relevant ESG risks and opportunities and how these are considered as part of their operations. The survey asked unquoted investee businesses a range of questions based on the ESG\_VC framework across a range of material environmental, social and governance factors. It asked them to indicate the relevance of those material ESG factors to their business, as well as their ability to influence those factors.

(B) Initiative 2

ESG Webinar series: following last year's annual ESG survey, we committed to holding a series of educational webinars for the Chairs, CEOs and executives of unquoted and quoted investee businesses to enhance their knowledge of material ESG issues. The webinar series aims to provide a toolkit for investee businesses to better integrate ESG and sustainability into their businesses, and covers:

- Education and materiality - understanding ESG, its importance and how to identify material ESG issues
- Governance - how to optimise governance structures to identify and manage ESG risks and opportunities
- Strategy - how to set a sustainability strategy and develop an ESG policy
- Risk management - how to incorporate ESG into risk management processes
- Metrics and targets - how to set measurable ESG KPIs and targets

The webinars are recorded for those unable to attend and for future reference. We aim to continue the series on a quarterly basis moving through 2023 and beyond.

## EXIT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------|---------------|
| PE 13     | CORE              | OO 21        | N/A        | PUBLIC     | Exit       | 4, 6          |

**During the reporting year, what responsible investment information was shared with potential buyers of private equity investments?**

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company
- (F) Key ESG performance data on the asset or portfolio company being sold
- (G) Other
- (H) **No responsible investment information was shared with potential buyers of private equity investments during the reporting year**
  - (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------------------|---------------|
| PE 14     | CORE              | OO 21        | N/A        | PUBLIC     | Disclosure of ESG portfolio information | 6             |

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) We used a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the portfolio company level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported back at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

## CONFIDENCE-BUILDING MEASURES (CBM)

### CONFIDENCE-BUILDING MEASURES

#### APPROACH TO CONFIDENCE-BUILDING MEASURES

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                               | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|------------------------------------------|---------------|
| CBM 1     | CORE              | N/A          | Multiple indicators | PUBLIC     | Approach to confidence-building measures | 6             |

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making

(G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI

(H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| CBM 4     | CORE              | OO 21, CBM 1 | N/A        | PUBLIC     | Internal audit | 6             |

**What responsible investment processes and/or data were audited through your internal audit function?**

(A) Policy, governance and strategy

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited

(3) Processes and data internally audited

(C) Listed equity

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited

(3) Processes and data internally audited

(E) Private equity

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited

(3) Processes and data internally audited

(F) Real estate

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited

(3) Processes and data internally audited

(G) Infrastructure

Select from dropdown list:

- (1) Data internally audited
- (2) Processes internally audited

(3) Processes and data internally audited

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| CBM 5     | PLUS              | CBM 1        | N/A        | PUBLIC     | Internal audit | 6             |

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

Gresham House's Sustainable Investment Team undertakes an annual ESG audit of sustainable investment processes across Gresham House's investment divisions. The purpose of the audit is to check that we are meeting the commitments we make in our public reporting and Sustainable Investment Policies regarding the implementation of ESG Tools and inclusion of ESG risks and opportunities in investment decision making.

This year's audit was conducted in April 2023 and results were communicated both to investment teams and the Sustainability Executive Committee and action points drawn up to ensure that the quality of relevant, useful information included in ESG Decision Tools and Investment Committee (IC) papers improves year-on-year.

## INTERNAL REVIEW

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection      | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------|---------------|
| CBM 6     | CORE              | CBM 1        | N/A        | PUBLIC     | Internal review | 6             |

### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year