

New Energy Sustainable Investment Policy

Meeting our Sustainable Investment commitments within our New Energy strategy

Gresham House has a clear commitment to sustainable investment as an integral part of its business mission. The purpose of this document is to set out the manner in which the commitments we have made at a group level to integrate ESG considerations throughout our business will be implemented within our New Energy investment strategy.

The New Energy division is focused on three technologies: Wind, Solar and Battery Storage. The strategy supports the shift from a world powered by finite resources to a new energy world powered by renewables in what is a rapidly changing energy landscape.

- We 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.
 - *We include sustainable investing as an agenda item on a periodic basis in meetings with clients.*
- We integrate Environmental, Governance, Social and Economic benefit considerations into our selection, evaluation, governance and engagement processes across the lifecycle of each investment.
 - *Our New Energy investment strategy aligns with national and international goals to decarbonise energy generation and supports the move to a low-carbon economy as a transition to a net-zero scenario. It also supports local and national resilience in energy supply.*
 - *Our investments in assets are long term and, where possible, we improve the value and lifespan of assets through extension of permissions and licences and the adoption of technology that increases and/or optimises renewable energy output without materially increasing land use or environmental impact.*
 - *We facilitate educational programs and participate in community lead initiatives in order to contribute towards the local economy, help to improve biodiversity and keep an open forum of communication with community stakeholders.*
- We drive rigour and consistency by applying our sustainable investment framework and system, including clearly defined processes and expert tools and methods.
 - *We have a clear understanding of the sensitivities, issues and opportunities to be managed across the investments in our portfolio and have a process to profile and prioritise these at the stages of the investment lifecycle where they are most relevant. Our sustainable investment framework (see next page) is used to structure our processes for completeness and consistency.*

About Gresham House

Gresham House plc is a London Stock Exchange quoted specialist asset manager providing funds, direct investments and tailored investment solutions, including co-investment, across a range of differentiated alternative investment strategies.

Our expertise includes forestry, renewable energy, housing and infrastructure, strategic public and private equity. The Group aims to deliver sustainable financial returns and is committed to building long-term partnerships with clients (institutions, family offices, high-net-worth individuals, charities and endowments) to help them achieve their financial goals.

As a signatory to the UN-supported Principles for Responsible Investment, Gresham House is committed to operating responsibly and sustainably and believes that taking the long view in delivering sustainable investment solutions will continue to be a growing factor in the strength of our market positioning.

- We ensure our team understands the imperative for effective ESG management and is empowered and equipped to carry this out through management support and training.
 - *Our team has significant expertise across the renewable energy investment cycle, spanning pre-construction requirements, construction phase, operation and wider marketplace impacts, including regulation, legislation and policy change. We will continue to invest in developing our understanding, expertise and good practice in sustainable energy asset selection and management.*
 - *Prior to investment, we will review and take heed of the environmental aspects of an asset, in particular the Environmental Impact Assessment where relevant, and any other technical studies required to gain planning permission, as well as the process for public consultation. Opportunities for enhancing the environmental benefits and minimising the environmental impact of projects will be assessed as part of this process and the analysis will form part of our investment decision making, alongside other due diligence reports.*
 - *We retain long-standing trusted advisers who understand our commitments and needs and help us to deliver our goals, whilst maintaining our assets, and ultimately our long-term investment.*
- We conduct regular monitoring of ESG risks, opportunities and performance in our investments and over time will prepare comparative data analysis for reporting to our investors.
 - *We will re-assess our ESG risk, opportunity and performance profiling periodically and will report this to the Gresham House Sustainable Investment Committee for analysis and action as necessary.*
 - *We actively monitor and assess key data related to sustainable energy generation and the wider sustainability performance of the assets we manage. In turn, we use these to review our contribution to sustainable development, particularly meeting the challenge of climate change and relevant Sustainable Development Goals.*



- We conduct our business activities in line with the UN-supported Principles for Responsible Investment (PRI), including an annual report of our progress towards implementation.
 - As signatories to the PRI we will complete comprehensive annual reporting within its required framework and use this to guide our own internal assessment of our performance and to drive our results upwards.
 - We expect to receive an official grading in the summer of 2020 following our first reporting submission and subsequent review by the UN PRI.
 - We will continue to provide and promote renewable energy investments as a sound and accessible sustainable investment options to a wide range of investors.



UN Sustainable Development Goals

Gresham House supports the Sustainable Development Goals.

Taking the wider portfolio into account, we believe our New Energy Strategy contributes to the following UN Sustainable Development Goals:

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES






13 CLIMATE ACTION







Sustainable Investment framework

Our thematic framework is used to structure analysis, monitoring and reporting of ESG issues and opportunities within the lifecycle of New Energy investments as an aid to more consistent integration. We use expert tools to profile our prospective investments to identify the most material themes within the broader framework and where we believe we should be directing our focus towards more sustainable outcomes:



Environmental

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| Carbon, emissions and pollution  | <i>Optimal contribution to low carbon energy generation in the UK</i> |
| Natural resources management  | <i>Visual impact and biodiversity management</i> |
| Waste management  | <i>Waste reduction and sustainable management of waste in construction, operation and decommissioning</i> |

Social

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|---|--|
| Employment, health, safety and well-being  | <i>First class H&S system; site safety policy</i> |
| Marketplace responsibility  | <i>Maximum uptime and minimal local disruption</i> |
| Supply chain sustainability  | <i>Robust policy relating to materials impacts, quality and ethics</i> |
| Community care and engagement  | <i>Good practice consultation; local investment strategy</i> |

Governance

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| Governance and ethics  | <i>Governance good practice; strong business ethics management and culture</i> |
| Risk and compliance  | <i>Robust risk and compliance management</i> |
| Commitment to sustainability  | <i>Continuing enhancement of the portfolio and its impacts</i> |

Management commitment

Our senior management team, including the Board and the Management Committee, are committed to the implementation of this policy and to making appropriate resources and support available to our team to do so. We will conduct a regular review of our approach and how well we are meeting our commitments and will update this policy accordingly.