



Forestry

Sustainable Investment Policy

Meeting our Sustainable Investment commitments within our Forestry 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 Forestry investment strategy.

- We are committed to adhering to and improving on best practice forestry standards. Our commitments to sustainable forest management and sustainable investment practices are laid out in the [Gresham House Forest Charter \("the Charter"\)](#).
 - The Charter defines the way we manage forests in relation to key forest ecosystem services and explicitly includes commitments relating to climate change, biodiversity, forest protection and forest products and services. It also outlines how ¹we interact with local communities and treat employees and suppliers.
 - We will not invest in activities deemed at odds with the commitments laid out in the Charter and apply the IFC exclusion list¹ to all our investments.
- 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 recognise that as stewards of the countryside we have responsibilities in being a good neighbour in conservation matters, landscape visual amenity, and provision of recreational access where safe to do so, while avoiding negative impacts on local communities wherever possible.
 - We undertake good practice public consultation where new plantations involve change of land use and keep local communities informed of felling plans and other significant operational activities.

- We engage industry stakeholders such as regulators, policy makers and industry associations to promote outcomes we believe to be in the interest of sustainable forestry and for our clients.
- Our Forestry investment strategies align with national and international goals to increase tree cover as part of a climate change strategy and the promotion of timber as low-embodyied-carbon material for building construction.
- We integrate Environmental, Governance, Social and Economic benefit considerations into our selection, evaluation, governance and management processes across the lifecycle of each investment.
 - Our investments are very long term and through our management approach we proactively set out to improve the value and lifespan of assets through sustainable forestry management.
 - All discretionary managed assets will align to commitments made in the Charter. This includes a commitment to certify all forests under management.
 - Our UK assets work to the UK Forestry Standard and are certified to the UK Woodland Assurance Standard (UKWAS) and International Forestry Stewardship Council (FSC) accreditation.
 - Our international assets are managed to relevant local standards and/or international standards including the FSC and the Programme for the Endorsement of Forest Certification (PEFC).
 - These standards provide a set of principles that we adhere to in our planning, management, felling and restocking cycles as well as the wider way in which we run our forest enterprises. Prior to investment, an analysis of how robustly an asset can meet these standards forms part of our Investment Committee decision making alongside other due diligence reports.
 - Management plans are drawn up for each asset, setting out clear management objectives spanning both commercial and ESG outcomes and how the asset will be managed to meet these within its given prevailing conditions. Performance measurements are integrated into the plans, which are subsequently reviewed on an annual basis.

¹ The International Finance Corporation Exclusion list defines the types of projects that IFC does not finance. ifc.org/exclusionlist

- 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 our forestry portfolio and have a framework (see next page) and processes in place to profile and prioritise these at the stages of the investment lifecycle where they are most relevant.
 - We screen all assets prior to acquisition using our proprietary ESG Decision Tool to ensure ESG considerations - both risks and opportunities - are fully assessed prior to investment. Where we decide to proceed with the investment, material ESG factors identified will be addressed as part of the management plan.
- 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 specialist expertise, including professional qualifications from the Institute of Chartered Foresters (ICF), spanning both sustainable forestry practices and sustainable investment. We undertake regular relevant Continuing Professional Development (CPD) to keep our knowledge and outlook up to date and will continue to invest in developing our expertise and good practice in sustainable forestry asset management.
 - We retain long standing, trusted sub-contracted forest managers who are chosen for their expertise and commitment to meeting sustainable forestry standards, the objectives within our management plans and the imperative to maintain our assets, good neighbour relations and ultimately our long-term investment value.
- 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.
 - Our certified sites are independently assessed by FSC appointed auditors and in addition we conduct our own in-house auditing against agreed standards and management objectives.
 - We will actively monitor and assess key data related to sustainable forestry management, including the key metrics identified in the Charter, as an integral part of asset management plans and portfolio management, as well as the wider sustainability performance of the assets in our management, including any unavoidable local impact such as vehicle movements.
 - We aim to make an assessment of our wider positive impact in order to review our contribution to sustainable development, particularly meeting the challenge of climate change and relevant Sustainable Development Goals. Calculating the carbon sequestration of our individual assets and whole portfolio will form the core of this.



- We will reassess our ESG risk, opportunity and performance profiling periodically and will report this to the Gresham House Sustainability Executive Committee for analysis and action as necessary.
- Regular auditing will be carried out by the Sustainable Investment Team to ensure ESG processes applied by investment teams meet those laid out in this document and remain appropriate.
- We conduct our business activities in line with the UN-supported Principles for Responsible Investment, 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 drive our results upwards.
 - We will continue to provide and promote sustainable forestry investments as a sound and accessible sustainable investment option to a wide range of investors.

UN Sustainable Development Goals (SDG)

Gresham House supports the UN Sustainable Development Goals.

Taking the wider portfolio into account, we believe our Forestry strategy contributes to the following UN Sustainable Development Goals:



Group Management commitment

Our senior management team, including the Board and the Group 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.

Sustainable Investment Framework application

Our thematic sustainable investment framework is used to structure analysis, monitoring and reporting of sustainability issues and opportunities within the lifecycle of Forestry investments. We have made reference to forestry standards to identify within the framework where we believe we should be directing our focus towards sustainable outcomes and monitoring:

Environmental			
Climate change and pollution	Natural capital	Waste management	
Optimisation of carbon sequestration and stores; reduction in operational emissions; climate transition opportunities; pesticide minimisation	Optimisation of woodland biodiversity; protection of priority habitats and species; considered pest, disease, soil and water management approach	Sustainable management of waste arising from forestry operations	
Social			
Employment, health, safety and well-being	Marketplace responsibility	Supply chain sustainability	Community care and engagement
Workers' rights protected; commitment to discrimination free, safe and fairly-paid employment and employee training	Certification of forests in line with sustainable forestry standards; production of certified timber; transparent and robust carbon credit generation	Alignment of suppliers to our own sustainability commitments; alignment of woodland managers to certification standards	Good practice community relations and engagement; respect of local community rights; public access, education and recreation

Governance		
Governance and ethics	Risk and compliance	Commitment to sustainability
Good forestry management practices; clear policies and accountability; ethical business conduct	Robust risk, compliance and auditing processes	Measurement and monitoring of key sustainability metrics; proactive management of potential negative ESG impacts



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, real estate, sustainable 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.

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