

# INVESTOR DISCLOSURE DOCUMENT

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*Information disclosure for the purposes of Article 23 AIFMD and SFDR by and in respect of*

Gresham House Energy Storage Fund plc

(the "**Company**")

(a Public Limited Company incorporated in England and Wales under registered number 11535957)

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**December 2022**

## **DEFINITIONS AND INTERPRETATION**

*This section of the Document sets out the meaning of certain defined terms used in the Document and makes provisions regarding the interpretation of certain references in the Document.*

### **1. Definitions**

In this Document, the following capitalised terms shall have the following meanings:

- (A) "AIF" means an alternative investment fund (or AIF) for the purposes of and as defined in AIFMD.
- (B) "AIFM" means an alternative investment fund manager (or AIFM) for the purposes of and as defined in AIFMD or EU AIFMD (as the context requires).
- (C) "AIFMD" means the UK version of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers as it forms part of the law of England and Wales by virtue of the EUWA, as amended by UK legislation.
- (D) "Annual Report" means the Company's latest annual report, which is available on the Website.
- (E) "Company" means Gresham House Energy Storage Fund PLC.
- (F) "Document" means this Investor Disclosure Document.
- (G) "EEA" means the European Economic Area.
- (H) "EU" means the European Union.
- (I) "EU AIFMD" means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.
- (J) "EUWA" means the European Union (Withdrawal) Act 2018.
- (K) "Manager" means Gresham House Asset Management Limited, the AIFM of the Company.
- (A) "Prospectus" means the most recently published prospectus of the Company, as amended or supplemented by any Supplementary Prospectus from time to time, issued or to be issued by the Company, which may be found on the Website.
- (B) "SFDR" means the EU Regulation on Sustainability-related Disclosures in the Financial Services Sector (2019/2088).
- (C) "Supplementary Prospectus" means a supplementary prospectus submitted under section 87G of FSMA, which, if applicable, may be found on the Website.
- (D) "Website" means [www.greshamhouse.com/gresham-house-energy-storage-fund-plc](http://www.greshamhouse.com/gresham-house-energy-storage-fund-plc).

Certain other terms are defined in this Document.

2. **Interpretation**

References to any statute or statutory provision, directive or regulation will include any subordinate legislation or regulatory technical standards made under it and will be construed as including references to such statute, statutory provision, directive, regulation and/or subordinate legislation.

Unless the context otherwise requires and except as varied or otherwise specified in this Document, words and expressions contained in this Document shall bear the same meaning as in the Prospectus provided that, if there is any conflict between words defined in this Document and the Prospectus, this Document shall prevail.

## **GENERAL**

### **1. Purpose of this Document**

This Document, when read together with the Prospectus, is intended to satisfy the requirements to make certain particular information available to investors in the Company before they invest, in accordance with the requirements of Article 23 of AIFMD and EU AIFMD and also of the SFDR in respect of the Company. It is not being issued for any other purpose and, to the fullest extent permitted under applicable law and regulation, the Company and the Manager, and their directors will not be responsible to persons other than the Shareholders for their use of this Document, nor will they be responsible to any person (including the Shareholders) for any use which they may make of this Document other than to provide information to invest in the Shares.

As such, the Manager will make this Document available to each prospective investor in the UK and in each EEA member state where the Company is marketed before that investor invests in the Company.

This Document does not purport to provide complete details of the Company and potential investors should not solely rely upon this Document when determining whether to make an investment.

Furthermore, investors should refer to the risks and disclaimers contained within the Annual Report.

Further information relating to the Company can be found on the Website.

### **2. Material Changes**

The Manager shall inform investors of any material changes to the information contained in this Document in accordance with AIFMD, EU AIFMD and SFDR, as applicable.

The latest version of this Document is available for inspection on the Website.

Existing investors in the Company who make further investments in the Company should ensure that they obtain and review the latest version of this Document prior to making such further investments.

### **3. Regulatory status of the Company and the Manager**

Gresham House Energy Storage Fund PLC is an “alternative investment fund” (“AIF”) for the purposes of AIFMD and EU AIFMD and the Company has appointed Gresham House Asset Management Limited (the “Manager”), to act as its AIFM. The Manager is authorised and regulated by the FCA as a “full scope UK AIFM” for the purposes of AIFMD.

The Shares are admitted to trading on the Specialist Fund Segment of the main market of the London Stock Exchange. The Company is subject to the Articles, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Act and FSMA.

The provisions of the Articles are binding on the Company and Shareholders. The Articles set out the respective rights and restrictions attaching to the Shares. These rights and restrictions apply equally to all Shareholders. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Articles. The Articles are governed by English law.

## **AIFMD AND EU AIFMD DISCLOSURES**

### **1. Investment strategy, policy and objectives of the Company, types of assets the Company may invest in, investment techniques and investment restrictions**

The Company's investment strategy, objectives and restrictions are set out in the Prospectus.

The way in which the Company's portfolio of assets is managed by the Manager is governed by its investment objective and policy and other rules set from time to time by the Board.

Material changes to the investment objective and policy can only be made with the approval of Shareholders. In considering what is a material change, the Company must have regard to the cumulative effect of any changes since Shareholders last had the opportunity to vote. In certain circumstances FCA approval may also need to be obtained, where a change is considered to be material under AIFMD.

### **2. Risks and risk management**

The principal risks currently facing the Company are set out under the heading "Principal and Emerging Risks and Uncertainties" of the Annual Report.

In accordance with AIFMD, the Manager will ensure that the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks in relation to the Company's portfolio of assets is published in the Annual Report.

The Manager has established risk management systems in order to manage key risks. Further details regarding the risk management process is available from the Manager, on request.

### **3. Leverage**

The circumstances in which the AIF may use leverage as well as the types and sources of leverage permitted and the associated risks, and the restrictions on the use of leverage are set out in the Annual Report.

Although the restrictions set forth in the Annual Report will be complied with, in accordance with AIFMD, the Board has set leverage limits of 220% under the gross method (representing the aggregate of all the Company's exposures other than cash balances held in Sterling) and 220% under the commitment method (which takes into account the effect of different treatment of certain cash and cash equivalent items and of offsetting instruments between eligible assets to reflect netting and hedging arrangements in line with regulatory requirements).

The Company will ensure that any change to the maximum level of leverage which the Manager may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement and the total amount of leverage employed by the Company is published in the Annual Report. In addition, the Company will notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement via an RIS.

### **4. Information on the Manager, Depositary and other Service Providers**

#### **AIFM**

Gresham House Asset Management Limited.

The Manager provides alternative investment fund management services to the Company.

The Company also reimburses the Manager for reasonable expenses properly incurred by the Manager in the performance of its obligations under the AIFM Agreement.

## **Depositary**

INDOS Financial Limited is the Depositary of the Company.

The Depositary is responsible for safekeeping, cashflow monitoring and oversight services in accordance with AIFMD. It will delegate its safe-keeping function in relation to financial instruments, in the event that the Company holds any such assets.

The Depositary has not contractually discharged itself of liability in accordance with Regulation 30 of The Alternative Investment Fund Managers Regulations (SI 2013/1773).

The Depositary may not use or re-use the Company's securities or other investments without the prior consent of the Company.

## **Auditor**

BDO UK LLP.

The auditor provides audit services to the Company and is responsible for auditing the Company's annual financial statements and for providing its report to Shareholders in the Annual Report.

## **Administrator**

JTC (UK) Limited.

The Administrator provides day to day administration of the Company and acts as company-secretary and administrator to the Company including, maintaining accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value.

## **Management Services**

Gresham House New Energy Limited

GHNE provides operational, management and administrative services to each Project Company.

## **Security Trustee, Bond Administrator, Bond Registrar and Bond Receiving Agent in relation to the Bond Offering**

JTC Registrars (UK) Limited

In connection with the Bond Offering the Company's subsidiary, Gresham House Energy Storage Holdings plc, appointed JTC Registrars (UK) Limited to provide security trustee and administration services in relation to the Bond Offering.

## **Corporate broker and financial adviser**

Jefferies International Limited.

Jefferies provides corporate broking and associated financial advisory services to the Company.

## **Registrar**

Computershare Investor Services PLC.

The Registrar maintains the Company's register of members and undertakes related services.

The fees payable to the Registrar are based on the number of Shareholders on the register and the transactions in the Shares plus properly incurred expenses, subject to an annual fee.

Additional fees payable by the Company to those set out above include; legal fees, broker commissions, directors' fees and other professional services fees.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

5. **Fees, charges and expenses**

For the provision of alternative investment fund management services under the AIFM Agreement, the Manager is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (1 per cent. on the first £250 million of Net Asset Value, 0.9 per cent. on Net Asset Value in excess of £250 million and up to and including £500 million and 0.8 per cent. on Net Asset Value in excess of £500 million, exclusive of VAT).

The Company also incurs annual fees, charges and expenses in connection with administration, directors' fees, promotional activities, auditors' fees, lawyers' fees, depositary fees and charges, asset management services, registrar services and the services of its other service providers. The Company's ongoing charges (including the Manager's fee summarized above) for the period to 31 December 2020 was 1.26%.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

6. **Purchases and sales of Shares and the contractual relationship between the Company and investors, applicable law and the enforcement of judgements**

The issue of new Shares by the Company, either by way of a fresh issue of Shares or by way of the sale of Shares from treasury, is subject to the requisite Shareholder authorities being in place and all Listing Rule requirements having been met. Shares can also be bought in the open market through a stockbroker or other financial intermediary. Further information on how Shares may be purchased is set out in the section headed "How to Invest" on the Website.

The agreement between the Shareholders and the Company for the acquisition of Shares is governed by English law and, by purchasing Shares, Shareholders agree that the courts of England have exclusive jurisdiction to settle any disputes. Investors who acquire Shares will do so subject to the Articles. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them. All communications in connection with the purchase of Shares will be in English.

The UK has acceded to the Hague Convention on Choice of Courts Agreements 2005 (the "Hague Convention") which applies between the EU member states, Montenegro, Denmark, Mexico, Singapore and the UK and provides for the recognition of foreign judgments in respect of contracts which contain an exclusive jurisdiction clause. The UK has also applied to re-join the Lugano Convention 2007 which would permit for the recognition of judgments based on contracts under the laws of member states regardless of whether the contract contains an exclusive or a non-exclusive choice of law clause in the states that are parties to that convention (i.e. EU member states and Iceland, Norway and Switzerland). However, each member of the Lugano Convention (EU member states, Iceland, Norway and Switzerland) has a veto on the accession of new members and UK accession may not occur.

7. **Professional liability risks**

The Manager covers potential professional liability risks resulting from its activities as AIFM by holding professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, in accordance with the AIFM Rules.

8. **Valuation procedures**

The Company's approach to the valuation of its portfolio of assets is set out in the Notes to the Financial Statements of the Annual Report.

The Administrator and Company Secretary is responsible for calculating the NAV which is presented to the Directors for their approval and adoption.

The calculations are carried out on at least a quarterly basis as at 31 March, 30 June, 30 September and 31 December, based on valuations provided by the Manager, each year.

The calculations of the NAVs as at 30 June and 31 December each year are supported by independent valuations prepared for the purposes of the Company's interim and annual financial statements.

All NAV calculations by the Administrator and Company Secretary are made, in part, on valuation information provided by the Manager. Although the Administrator and Company Secretary evaluates all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data.

The Board reviews the operating and financial assumptions, including the discount rates, used in the valuation of the Company's underlying portfolio and approves them based on the recommendation of the Manager.

As part of the annual audit, the Auditor reviews the valuation model used by the Manager, including the discount rate.

The Board may determine that the Company shall temporarily suspend the determination of the Net Asset Value per Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained; however, in view of the nature of the Company's proposed investments, the Board does not envisage any circumstances in which valuations will be suspended.

Any suspension in the calculation of the Net Asset Value will be notified to Shareholders through a Regulatory Information Service as soon as practicable after such suspension occurs.

## 9. **Liquidity risk management and redemption rights**

The Manager maintains a liquidity management policy to monitor the liquidity risk of the Company. Shareholders have no right to redeem their Shares from the Company but may trade their Shares on the secondary market. However, there is no guarantee that there will be a liquid market in the Shares.

Further details regarding the liquidity management is available from the Manager, on request.

In accordance with AIFMD, the Manager will ensure that the following information in relation to the Company's portfolio of assets is published in the Annual Report:

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature; and
- any new arrangements for managing the liquidity of the Company.

## 10. **Fair treatment of investors**

The Manager has procedures, arrangements and policies in place to ensure compliance with the principles more particularly described in AIFMD relating to the fair treatment of investors.

The Manager maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

As at the date of this Document, no investor has obtained preferential treatment or the right to obtain preferential treatment.

## 11. **Annual Report**

Copies of the Company's latest annual and interim reports may be accessed on the Website.



12. **Latest Net Asset Value**

The Net Asset Value per Share is published quarterly via an RIS announcement and can be found on the National Storage Mechanism at <https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism>.

13. **Historical performance of the Company**

Details of the Company's historical financial performance are provided in the Company's annual reports and quarterly factsheets, which are available on the Website.

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.

## **SFDR DISCLOSURES**

### **1. The manner in which sustainability risks are integrated into the investment decisions of Gresham House Asset Management Limited (the “Manager”) in relation to the Company**

As detailed in the New Energy Sustainable Investment Policy, specific to the Manager’s investment division, the Manager integrates ESG (“sustainability”) risks and opportunities into the investment process.

The Manager integrates sustainability risks and opportunities through the completion of the ESG Decision Tool prior to investment. The Tool supports the identification of potential material ESG risks that need to be managed and mitigated during the investment period of the asset. The Tool also determines if there are any reasons why the asset may not be invested in at this stage for ESG reasons.

Post-investment, material sustainability risks identified through the ESG Decision Tool or as part of the division’s assessment of material sustainability risks to its assets, are monitored and managed on an ongoing basis. The Manager will also monitor ESG related data, where available, to support the ongoing management of sustainability risks for assets.

### **2. The likely impacts of sustainability risks on the returns of the Company**

The Manager has determined that the sustainability risk (being the risk that the value of the Company could be materially negatively impacted by an environmental, social or governance event or condition) faced by the Company is low to medium. The Manager has put in place processes and checks to minimise ESG-related risks associated with the manufacturing and sourcing of the components used in energy storage plants, as well as the construction and operation of these plants.

### **3. No consideration of adverse impacts of investment decisions on sustainability factors**

The Manager has elected to exercise its discretion under Article 4(1)(b) of SFDR not to commit to considering the adverse impacts of investment decisions of the Company on sustainability factors in the manner specifically contemplated by Article 4(1)(a) of the SFDR but will continue to consider and manage these impacts in line with its Sustainable Investment Policy.

### **4. Environmental and social characteristics**

The Company is committed to investing in and increasing battery energy storage system (BESS) capacity to support the decarbonisation and electrification of energy systems. Battery energy storage systems (BESS) play an essential role in supporting the decarbonisation of energy systems and consequently the broader economy. The Company, in this way, aims to contribute positively to climate change mitigation and net zero strategies.

The Manager will assess adherence to the characteristic through measuring and monitoring:




- total operational battery energy storage capacity (megawatts (MW) and megawatt hours (MWh))
- total battery energy storage capacity under construction (megawatts (MW) and megawatt hours (MWh))

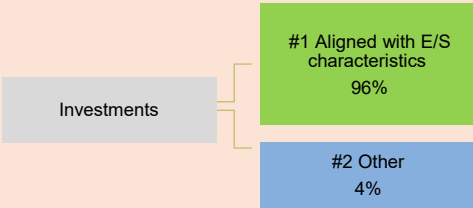

The Manager also intends to measure, monitor, and report on carbon emissions avoided (tCO<sub>2</sub>e) as a result of the operation of BESS and increase in BESS capacity. The Manager is in the process of finalising a robust methodology to estimate the carbon emissions avoided through the increased adoption of BESS in energy systems.

**Information about the environmental characteristics of the Company is set out in the Appendix to this document.**

## APPENDIX

### Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

<p><b>Sustainable investment</b> means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.</p> <p>The <b>EU Taxonomy</b> is a classification system laid down in Regulation (EU) 2020/852, establishing a list of <b>environmentally sustainable economic activities</b>.</p> <p>That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.</p>	<b>Product name:</b>	Gresham House Energy Storage Fund	<b>Legal entity identifier:</b>	Company number 11535957	
	<b>Environmental and/or social characteristics</b>				
	<b>Does this financial product have a sustainable investment objective?</b>				
	<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes			<input checked="" type="radio"/> <input type="radio"/> No	
	<input type="checkbox"/>	It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___%	<input type="checkbox"/>	It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments	
<input type="checkbox"/>	in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/>	with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy		
<input type="checkbox"/>	in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/>	with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy		
<input type="checkbox"/>	It will make a minimum of <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/>	with a social objective		
<input checked="" type="checkbox"/>	It promotes E/S characteristics, but <b>will not make any sustainable investments</b>				
	<b>What environmental and/or social characteristics are promoted by this financial product?</b>				
	The Company is committed to investing in and increasing battery energy storage system (BESS) capacity to support the decarbonisation and electrification of energy systems. Battery energy storage systems (BESS) play an essential role in supporting the decarbonisation of energy systems and consequently the broader economy. The Company, in this way, aims to contribute positively to climate change mitigation and net zero policies.				
<p><b>Sustainability indicators</b> measure how the environmental or social characteristics promoted by the financial product are attained.</p>	<p><input type="radio"/> <b>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</b></p> <ul style="list-style-type: none"> <li>Total operational battery energy storage capacity (MW and MWh)</li> <li>Total battery energy storage capacity under construction (MW and MWh)</li> </ul> <p>The Manager also intends to measure, monitor, and report on carbon emissions avoided (tCO2e) as a result of the operation of BESS and increase in BESS capacity. The Manager is in the process of finalising a robust methodology to estimate the carbon emissions avoided through the increased adoption of BESS in energy systems.</p>				
	<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>				
<p><b>Principal adverse impacts</b> are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
	<b>What investment strategy does this financial product follow?</b>				
<p><b>The investment strategy</b> guides investment decisions based on factors such as</p>	The Company seeks to provide investors with an attractive and sustainable dividend over the long term by investing in a diversified portfolio of utility scale energy storage systems, which utilise batteries, located in Great Britain, and the Overseas Jurisdictions. The Company aims to do this through the construction, development, acquisition, management and operation of battery energy storage system (BESS). BESS assets are managed by the Manager to provide several integral functions to energy systems that will enable the decarbonisation of the grid through increased renewable energy generation and generate varied revenue streams. Functions include "Trading", providing energy through the				

<p>investment objectives and risk tolerance</p>	<p>"Balancing Mechanism" to the grid, and "Ancillary Services"/" Frequency Response", which maintains electrical stability by responding to deviation in frequency flowing through a network.</p> <p>The Manager integrates sustainability risks and opportunities into the pre-investment process for all assets through the completion of the ESG Decision Tool prior to investment. Post-investment, material sustainability risks identified through the ESG Decision Tool or as part of the division's assessment of material sustainability risks are monitored and managed on an ongoing basis.</p> <p><b>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product</b></p> <p>As detailed in the Prospectus, the Company will only invest in the acquisition, development and operation of energy storage systems (primarily lithium-ion battery energy storage). In this way, all investments will support the attainment of the ambition to roll out energy storage systems and contribute to the decarbonisation of energy systems.</p> <p>As part of pre-investment due diligence, the Manager will assess sustainability risks and opportunities through implementation of the ESG Decision Tool. The Tool supports the Manager in assessing any material sustainability risks that need to be managed and determining if there are any reasons why the asset may not be invested in at this stage for ESG reasons.</p> <p>In line with the Company's focus on supporting decarbonisation of the economy, the Manager will consider any climate-related risks and opportunities within the acquisition and construction phase and aim to mitigate or minimise risks. Climate-related risks may include physical risks such as flood risk or technology risk from extreme temperatures, and transition risks such as risks linked to carbon footprint of assets and regulation phasing out certain asset types. Climate-related opportunities may include regulation or policy supporting the demand for BESS technologies or increase in energy prices.</p>
<p><b>Good governance</b> practices include sound management structures, employee relations, remuneration of staff and tax compliance.</p>	<p><b>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</b></p> <p>There is no committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy.</p> <p><b>What is the policy to assess good governance practices of the investee companies?</b></p>
	<p>The Company invests in individual battery energy storage projects. All projects are companies that sit within special purpose vehicles invested in by the Company. Projects may either be operational or under construction at time of acquisition. Due diligence is carried out prior to acquisition for all projects. As noted above, this includes completion of the ESG Decision Tool to assess potential sustainability risks and opportunities. In addition, all projects will be assessed to ensure the project compliance to all relevant legal and regulatory requirements. The projects do not have management structures, employees, or tax policies in the way "investee companies", as understood by the EU SFDR, might have.</p>
<p><b>Asset allocation</b> describes the share of investments in specific assets.</p>	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>At least 96% of the Company's investments, based on connection capacity (MWs), are aligned with the environmental and/or social characteristics of the Company (i.e. investment in the acquisition, development and operation of battery energy storage systems). The Company does not commit to making sustainable investments. Investments in the "#2 Other" category include investments and other instruments of the Company that cannot be aligned with the environmental and/or social characteristics of the Company. Between 0% and 4% of the Company's investments might at any point in time qualify as "#2 Other" investments.</p> <p><b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></p> <p>Non-applicable, as the Company does not use derivatives to attain the environmental or social characteristics promoted by the Company.</p>
<p>Taxonomy-aligned activities are expressed as a share of:</p> <ul style="list-style-type: none"> <li>– <b>turnover</b> reflecting the share of revenue from green activities of investee companies</li> <li>– <b>capital expenditure</b> (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.</li> <li>– <b>operational expenditure</b> (OpEx) reflecting green operational activities of investee companies.</li> </ul>	<div style="text-align: center;">  </div> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p>
<p><b>Enabling activities</b> directly enable other activities to make a substantial contribution to an environmental objective.</p> <p><b>Transitional activities</b> are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission</p>	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p> <p> Non-applicable, as the Company does not commit to making sustainable investments.</p>

levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**What is the minimum share of investments in transitional and enabling activities?**

The Company does not commit to making any Taxonomy-aligned investments. The minimum share is therefore 0%

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Company does not commit to making sustainable investments. The minimum share is therefore 0%

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“#2 Other” may include other investments and instruments of the Company that cannot be aligned with the environmental and/or social characteristics of the Company. For the Company, “Other” investments constitute a legacy asset that uses mostly gas engine technology to provide power to the grid. This investment also has a small amount of battery energy storage capacity used as a primary source of energy before gas engines are used and a small amount of diesel generators used primarily as back up for Capacity Market requirements. Under the investment policy, only ESS assets (primarily BESS) will be invested in and as such the Company will not invest in equivalent assets going forward. 4% is included in the 'What is the asset allocation planned for this financial product?' section above, which reflects the % portfolio MW connection capacity of the aforementioned asset as of June 2022.

Where can I find more product specific information online?

More product-specific information can be found on the website:  
<https://greshamhouse.com/real-assets/new-energy/gresham-house-energy-storage-fund-plc>