



# Gresham House, Ireland Sustainable Investment Policy

## Meeting our sustainable investment commitments<sup>1</sup>:

Gresham House has a clear commitment to sustainable investment, which is integral to its business mission. This document aims to set out how we aim to meet our commitments through our strategies that invest in listed securities here in Ireland:

- We take steps to consult and understand the views, concerns and ambitions of our stakeholders in seeking sustainable outcomes from our investments.
  - We integrate Environmental, Governance, Social and Economic considerations into our selection, evaluation, governance and engagement processes across the lifecycle of each investment.
  - Within our investment process we have a two stage ESG profiling step to identify material sustainability matters:
    - at stage one we will identify, using our proprietary ESG Decision Tool, if there are any material ESG risks that are unlikely to be sufficiently managed or mitigated given what we know about the company and its management team, or where the business or its sector presents significant potential controversy risks, such that we will not proceed.
    - at stage two we will make a wider assessment of potential ESG issues as well as where good ESG management has the potential to drive value, now or in the future. This includes the identification of ESG issues to engage on during the investment period to enhance value, or particular areas of risk to be closely monitored.
  - From a stewardship perspective our periodic engagement with the management teams and other representatives of our investments includes discussion of ESG performance and progress aimed at identifying key concerns and to give us a clearer view of ESG management within our portfolio.
- Voting is an important element of our investment strategy and a mechanism to reflect our views on ESG matters to those companies that we invest in.<sup>2</sup> We vote in line with our Gresham House Engagement & Voting Policy and aim to engender outcomes that we believe will be in the best interests of our shareholders and clients.
  - We drive rigour and consistency by applying our sustainable investment framework and system, including clearly defined processes and expert tools and methods:
    - Our ESG integration processes are structured around our **sustainable investment framework**.
    - Materiality and stakeholder assessment is core to both our investment selection process and ESG stewardship engagement and we have adopted tools and methods, such as our ESG Decision Tool, to assist us in focussing on what matters most in any investment and the externalities and other factors that may change over time.
  - 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 investment teams have a good understanding of sustainability/ESG issues and opportunities as they apply to business sectors, operating models and the wider market. This is supplemented by the expert advice embedded within our Sustainable Investment Team

1. For purposes of this document, the approach taken within this document will be applied to all units trusts managed by Gresham House Ireland which includes investments in the following listed security-types: listed equity, investment funds or trusts in alternative assets (infrastructure, forestry, venture capital and commodities), and corporate bonds. Cash, commercial real estate, credit union loans and sovereign bonds are not covered by this policy.

2. Voting will only be applied as relevant per security-type.


- 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 seek to collate and analyse a core ESG performance data set for each business wherever possible and may also ask our investees to provide additional data that relates specifically to any material sustainability matters relevant to the company.
  - We believe that by asking our stakeholders to assess their ESG performance on, at least, an annual basis we will encourage greater proactive management and accountability.
  - We will re-assess our ESG risk, opportunity and performance profiling periodically and will report this to the Gresham House, Ireland Investment Committee for evaluation 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.

## Sustainable Investment Framework application

Our Sustainable Investment Framework (SIF) has been created around ten ESG themes. These themes were derived from an ESG materiality assessment we undertook as part of our strategy development process and are considered to be the most material factors for our investments to consider. The SIF is used to structure analysis, monitoring, and reporting of ESG issues and opportunities within the lifecycle of our public equity investments as an aid to more consistent integration. We use our expert ESG Decision 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:

 <b>Environmental</b>		
Climate change and pollution	Natural capital	Waste management
Greenhouse gas emissions and climate change impacts energy management, pollution prevention and control, air quality management	Water use, biodiversity and natural resource management	Waste reduction; sustainable management of waste

 <b>Social</b>			
Employment, health, safety and well-being	Marketplace responsibility	Supply chain sustainability	Community care and engagement
Employee H&S and well-being, sustainable employment practice, engagement, diversity & inclusion	Product impacts, safety and labelling in use and disposal, quality and value, customer care, data protection	Managing environmental, social and economic impacts of sourcing	Understanding and managing impacts on communities, including human rights, community investment

 <b>Governance</b>		
Governance and ethics	Risk and compliance	Commitment to sustainability
Governance good practice; sound business ethics management and culture	Robust risk and compliance management	Awareness, capability and commitment to run a resilient, sustainable business

## Gresham House, Ireland – Sustainable Financial Disclosure Regulation

Under European Law, Gresham House, Ireland is obliged to follow Regulation (EU) 2019/2088 which addresses sustainability-related disclosures in the financial services sector. Gresham House, Ireland, pursuant to the EU Sustainable Finance Disclosures Regulation (2019/2088) on sustainability-related disclosures in the financial services sector (“SFDR”), will adhere to guidelines as set out in the vehicles prospectus and disclosed to investors at all times.

### Scope

This policy is mandatory for:

- The investment team who have been delegated the responsibility of integrating ESG into the investment process as well as overseeing voting and engagement.
- The risk function who will oversee the risk integration process.
- The operations team who will ensure that all regulatory disclosures with regards to ESG/Sustainability are adhered to.
- Client-facing teams who are responsible for client communications.

### Sustainability risks

Sustainability risks are considered for all investments in unit trusts. The approach we take is done as defined in this Sustainable Investment Policy document. Gresham House, Ireland applies the Sustainable Finance Disclosure Regulation (SFDR) definition of sustainability risk for its integration and consideration of sustainability risk.

“Sustainability risk” means an environmental, social or governance event or condition that, if occurs, could cause an actual or a potential negative impact on the value of an investment.

### Adverse impacts of investment decisions on sustainability factors

Adverse impacts of investment decisions on sustainability factors are not considered by Gresham House Ireland (the Manager) and the Manager does not intend to consider adverse impacts for its investment strategies as it is not required to do so under the SFDR Article 4.

At product level, it is our belief that the consideration of sustainability risks through ESG integration, as defined in the Gresham House Ireland Sustainable Investment Policy, is sufficient to demonstrate a consideration of sustainability risks and impacts for funds which do not have sustainable investment as their objective.

Article 8 or 9 funds will consider principal adverse impacts, including through the measurement and reporting of principal adverse impact indicators where they have a sustainable investment objective. Engagement activities may seek to address or mitigate adverse impacts or enhance performance in relation to these indicators.

### Investment products

The following unit trust funds are subject to article 6 of the SFDR regulation:

- Article 6 Funds are those which integrate sustainability risk into the investment process and do not meet the strict criteria for an Article 8 or 9 categorization and therefore must be labelled as non-sustainable:
  - Gresham House Global Multi-Asset Fund
  - Gresham House Global Equity Fund
  - Gresham House Global Small Company Fund
  - Gresham House Euro Liquidity Fund

The following unit trust funds are subject to article 8 of the SFDR regulation:

- Article 8 funds (“light green funds”) are those which promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the underlying investments that are made follow good governance practices:
  - Gresham House Global Thematic Multi-Asset Fund

## About Gresham House

Gresham House is a 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.

Gresham House established its presence in Ireland when it acquired Appian Asset Management in June 2021. Gresham House Asset Management Ireland Limited (trading as Gresham House) is regulated by the Central Bank of Ireland under the Alternative Investment Fund Management Directive (AIFMD).

[www.greshamhouse.ie](http://www.greshamhouse.ie)

