

Meeting our Sustainable Investment commitments within our Private Equity 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 Private Equity investment strategy.

- 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 actively monitor our clients' interests in making investments that take appropriate heed of sustainability factors.
 - We include sustainable investing as an agenda item on a periodic basis in VCT Board meetings and separately in meetings with stakeholders.
- We integrate Environmental, Governance, Social and Economic benefit considerations into our selection, evaluation, governance and engagement processes across the lifecycle of each investment.
- Our investment selection process goes through two stages of profiling before a decision is made, each focused on identifying material sustainability matters and how well they are managed:
 - At stage one, we identify using our proprietary ESG
 Decision Tool if there are any material ESG matters
 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.

- During our stewardship and monitoring phase, our periodic engagement with the management teams of our investments includes discussion of ESG performance and progress with the aim of identifying key concerns and/or opportunities for value enhancement and to give us a clearer view of ESG management within our portfolio.
- 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 (see page 3).
 - Materiality and stakeholder assessment are core to both our investment selection process and ESG stewardship and we have adopted tools and methods, such as an ESG Decision Tool, to assist us in focusing on what matters most in any investment and the externalities and other factors that may change over time.

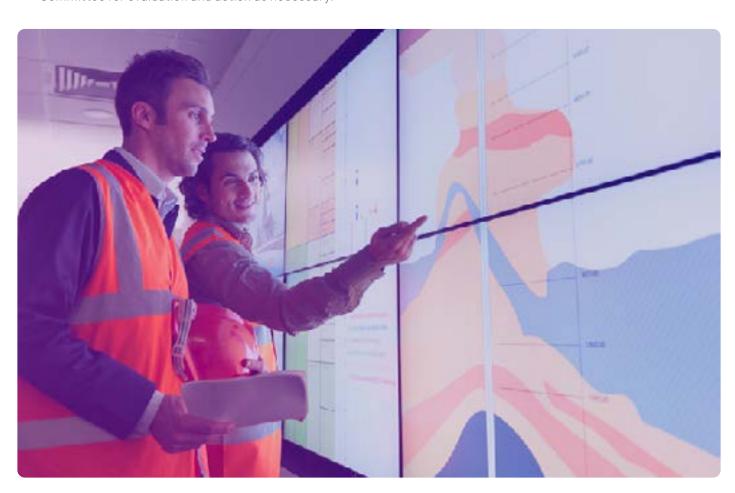


- We ensure our team understands the imperative for effective ESG management and is empowered and equipped to carry this out through management support and training.
 - Our team has a good understanding of sustainability/ ESG issues and opportunities as they apply to business sectors, operating models and the wider market. This is supplemented by the expert advice embedded within our tools and through interaction with the Sustainable Investment team.
 - We solicit expert advice and educational programmes from external sustainability specialists in order to ensure our teams are upskilled to be best in class representatives in the space.
- 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 the material sustainability matters relevant to the company due to its sector or operating model.
 - We believe that by asking our shareholders to assess their ESG performance on at least an annual basis we will encourage them towards more proactive management and accountability.
 - We will reassess our ESG risk, opportunity and performance profiling periodically and will report this to the Gresham House Sustainability Executive 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 (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 drive our results upwards.

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 update this policy accordingly.



Sustainable Investment Framework application

Our thematic framework is used to structure analysis, monitoring and reporting of ESG issues and opportunities within the lifecycle of our Private Equity 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				
Climate change and pollution	Natural capital	Waste management		
Optimal contribution to low carbon energy generation in the UK	Visual impact and biodiversity management	Waste reduction and sustainable management of waste in construction, operation and decommissioning		

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

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

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, highnet-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.

www.greshamhouse.com







