Gresham House
Specialist investment

Sustainable Investment Report
April 2024

Investing sustainably for our future

Welcome to our Sustainable Investment Report

Welcome to our latest Sustainable Investment Report, covering the year to 31 December 2023, where we detail how we remained committed to driving forward the sustainable investment agenda, alongside generating attractive financial returns for clients.

The events of 2023 further underscored the imperative for a sustainable future economy. Issues such as energy security, food production, and climate change all highlighted the critical need for private investment in sustainable alternatives.

The private assets we invest in are at the forefront of sustainable solutions, and we partner with our clients to help them achieve their net-zero, natural capital and social impact goals. Our clients rightfully expect us to demonstrate measurable outcomes from their investments, and we have expanded our efforts to collect, measure, and monitor ESG metrics to meet this expectation.

In the face of ongoing economic challenges and global uncertainties, we remained committed to delivering investment solutions that support our clients' financial and sustainability objectives.

Developments in the sustainable investment market

While market forces, particularly elevated interest rates, presented challenges for sustainable investing, the last 12 months saw several positive developments in the UK sustainable investment market:

- In the UK the Financial Conduct Authority published its final policy statement setting out its approach to the UK's Sustainability Disclosure Requirements (SDR) to "improve trust and transparency in the market for sustainable investment products"
- The Transition Plan Taskforce published its final disclosure framework, laying out best practice for robust and credible climate transition plan disclosures
- In early 2024, regulation came into force under the Environment Act requiring all new planning permissions granted in England to deliver at least 10% biodiversity net gain

As a result, the UK sustainability-focused funds saw inflows of £15bn in 2023 compared with outflows of £72bn for conventional funds.[1]

1. LSE, Refinitiv, January 2024

In September 2023, the Taskforce on Nature Related Financial Disclosures (TNFD) released its final recommendations, providing financial institutions with a nature risk management and disclosure framework, while in March 2024 the US Securities and Exchange Commission (SEC) adopted the long-awaited final rules on climate-related disclosures. We anticipate that together with strong financial returns these developments will remain supportive of flows into sustainability-oriented products.

A new era for Gresham House

At the end of 2023, Gresham House was acquired by Searchlight Capital Partners and became a privately owned company.

We believe that our new ownership structure will enable us to accelerate our growth ambitions and increase opportunities for continuing strong investment returns across multiple strategies, asset classes and regions.

As we move forward with the same talented team of employees and our entrepreneurial culture, we look forward to continuing to deliver superior investment and sustainability outcomes for our clients. We have achieved much over the past ten years and I am confident and excited about our prospects for a sustainable future, through investing in attractive and growing asset management areas.

Tony Dalwood
Chief Executive

> The events of 2023 further underscored the imperative for a sustainable future economy.

The last year in numbers

Sustainable investor

Commitment to Sustainability	2022	2023
Assets under management (£bn)	7.8	8.5
Of which are[2]: Responsible	2.1	2.2
Sustainable	5.0	5.0
Impact	0.7	1.3
PRI Assessment[3]	4 or 5 stars	4 or 5 stars

Climate Change	2022	2023
Investment emissions (Scope 1&2, tCO_2e)	141,040	135,086
Investment emissions (Scope 3, tCO_2e)	968,444	921,421
Investment carbon intensity (Scope 1&2 tCO_2e/ £mn invested)	21.1	21.7

Strategic Equity	2022	2023
Public Equity		
Management teams met by our UK team (%)	93	100
ESG engagements	75	108
Private Equity		
Unquoted portfolio companies engaged with (%)	100	100
Portfolio company Boards attended as a member or observer (%)	71	78

Real Assets	2022	2023
Forestry		
Trees planted (mn)	9.1	6.4
Carbon sequestered by forests (mn tCO_2e)	1.9	1.9
New Energy		
Renewable energy generation (GWh)	487	418
Operational battery energy storage capacity (MW)	550	690
Sustainable Infrastructure		
Total hectares supporting nature recovery completed	329	469
Premises passed with “ready for service” full fibre/ gigabit-capable broadband	66,308	168,475
Housing		
New UK homes completed	235	126
UK housing portfolio EPC rating B or above (%)	40	41

2. These categories are based on our internal definitions as set out in our Spectrum of Capital
3. Gresham House received 4 or 5 stars, out of a maximum of 5 stars, for all submitted modules

Sustainable business & employer

Our People	2022	2023
Women in senior management (%)	33	35
Ethnic minority employees (%)	16	19
Employee advocacy score (%)	76	74

Climate Change	2022	2023
Operational emissions (Scope 1,2&3, tCO_2e)	362	576
Operational carbon intensity (Scope 1,2&3 tCO_2e/FTE)	1.7	2.6
Annual energy use (MWh)	642	680

Sustainable corporate citizen

Charitable Giving	2022	2023
Corporate charitable giving (£'000)	63	59
Employees using Give as You Earn (%)	9	11

Investing in a world we want to live in

In 2023, as geopolitical instability, conflicts and monetary overtightening weighed on economic conditions, sentiment towards sustainable investment was tested.

Yet despite this, 2023 was a year of growth for sustainable investment, driven by robust regulation, investor demand, and an increased urgency to act, necessitated by ever more severe extreme weather events.

We have remained steadfast in our belief that asset managers will play a critical role in the transition to a more sustainable economy. In 2023 we continued to make significant progress against our Corporate Sustainability Strategy, which guides our role as a sustainable investor, business and employer and corporate citizen.

Gresham House as a...

Sustainable investor

Our real assets investments continued to contribute to the delivery of significant real world outcomes in 2023.

Underpinning this was a range of projects and initiatives, examples of which include:

- Publishing our inaugural Taskforce on Climate-Related Financial Disclosures (TCFD) report
- Mapping modern slavery risks across the supply chains of our Real Assets divisions
- Partnering with Pensions for Purpose to produce an Impact Lens report on Natural Capital and Biodiversity – leading the debate in this critical area

We have also worked to categorise our real assets so that they better align with our clients' priorities. Additional information on how our investment solutions support our clients' net-zero, natural capital and social impact objectives can be found on page 23.

Sustainable business and employer

We recognise that to achieve our sustainability ambitions, we must lead by example and align our actions with our corporate purpose.

In 2023 we implemented a number of initiatives in order to improve our operational sustainability and create a culture in which our people can thrive. Examples include:

- Establishing an internal Sustainability Working Group to improve our operational sustainability, leading to the reduction of our operational Scope 2 emissions of 25%
- Introducing a travel policy with the objective of reducing our work-related travel emissions
- Delivering annual company funded health assessment to enable employees to take a proactive approach to their health

Sustainable corporate citizen

Having a positive impact on the communities we are part of is critical to us doing the right thing, meeting the expectations of diverse stakeholders, and ultimately achieving our ambition to be a sustainability leader. Last year:

- We selected two new corporate charity partners in the UK and one in Ireland, focusing on charities of a smaller size so that we can have a more meaningful impact
- 11% of our employees opted to donate to their chosen charities using our Give as You Earn Scheme, whereby Gresham House matches employee donations up to £50 per month, contributing £25,850 through this scheme in 2023

In 2023 Gresham House and its employees donated £108,000 to various charities though events and donations.

Rebecca Craddock-Taylor
Director, Sustainable Investment

> **We have remained steadfast in our belief that asset managers will play a critical role in the transition to a more sustainable economy.**

Our achievements to date - and what's to come

As part of our GH30 strategic plan, central to our Group strategy is our ambition to be the manager of choice for sustainable investment client solutions.

The roadmap below shows where we have come from and the considerable progress we have achieved to date. Our focus on implementing our sustainability strategy remains unwavering as we enter a new chapter of our growth journey.

FY 2021 and prior

- Sustainable Investing policies established
- Corporate Sustainability Strategy published
- First Sustainable Investment reports published
- Sustainability Executive and Board Sustainability Committees established
- PRI reporting commenced with A and A+ scores across all entries
- Became signatories to the 2020 Stewardship Code
- Awarded Green Economy Mark from the London Stock Exchange

FY 2022

- First reporting of operational and investment carbon emissions
- Climate risks formally integrated into Board processes
- Embedded ESG KPI banks into each division
- Developed proprietary impact framework to be used by impact funds
- Enhanced ESG data using surveys, data platforms and specialist consultants
- Launched our first Diversity, Equity & Inclusion (DEI) strategy

FY 2023

- First standalone TCFD report published
- Began to develop our inaugural net-zero strategy
- Mapped modern slavery risks across the supply chains of our Real Assets divisions
- Published our proprietary Impact Framework for our Sustainable Infrastructure strategies
- Internal Sustainability Working Group established to improve operational sustainability

FY 2024 and beyond

- Formalise and communicate our net-zero strategy
- Undertake and publish physical climate risk mapping of our Real Assets
- Expand our range of natural capital solutions available to our clients
- Evolve our pre-investment ESG due diligence tools (ESG Decision Tools)
- Launch our first Article 9-compliant fund under EU Sustainable Finance Disclosure Regulation (SFDR)
- Categorise all in-scope funds under UK Sustainability Disclosure Requirements (SDR)
- Evolve and enhance our approach to modern slavery and supply chain risks

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About Gresham House

Our purpose

Our corporate purpose is to deliver effective and alternative investment solutions to help clients achieve their financial objectives while contributing towards the transition to a more sustainable economy.

Our commitment to sustainability is based on a core set of beliefs that guide our strategic objectives, including our Corporate Sustainability Strategy, and investment approach.

These beliefs are complemented by our definitions of what sustainability means to us as an investor, as a business and employer, and as a corporate citizen.

> We believe that sustainable investments drive returns because they are good for people and the planet.

What sustainability means to Gresham House as:

An investor

Delivering value for investors by adopting a long-term approach that considers environmental, social and governance outcomes in our investment decision making and actions. We believe that sustainable investments drive returns because they are good for people and the planet.

A business and employer

Driving shareholder value by having a positive influence on the environment and societies our business and our people are a part of. We do this through prudent management of financial, social, and environmental risks and opportunities, while providing a supportive workplace, free from discrimination, where our employees can add value and develop personally and professionally.

A corporate citizen

Recognising and honouring our legal, moral, and economic responsibilities to the communities in which we operate. We aim to contribute positively to society by acting ethically, with integrity, giving back, and ensuring the long-term social and environmental viability of our operations.

Our beliefs

1. **Asset management has a critical role to play in the world's transition to a more sustainable economy**
2. **This creates compelling alternative investment opportunities**
3. **Incorporating sustainability factors into investment decision-making protects value and drives resilience for all stakeholders**
4. **Investors increasingly seek opportunities with the potential for both financial and ESG returns**

Our Corporate Sustainability Strategy

Our Corporate Sustainability Strategy communicates the objectives we have set to meet our strategic objective to be the manager of choice for sustainable investment client solutions.

It is shaped around three interconnected and mutually reinforcing pillars that reflect our role as an investor, as a business and employer, and as a corporate citizen.

Several priority sustainability topics have been identified for each pillar that reflect the ways in which we invest and operate as a business.

These topics and associated objectives continue to drive our actions and sustainability-related activities across the business.

Gresham House as a sustainable investor

Operational

- Commitment to sustainability
- Risk and compliance
- Marketplace responsibility
- Governance and ethics

Thematic

- Climate change and pollution
- Natural capital
- Supply chain management
- Employment, health, safety and wellbeing

Gresham House as a sustainable employer and business

- Climate change and pollution
- Natural capital
- Employment, health, safety and wellbeing

Gresham House as a sustainable corporate citizen

- Diversity, equity and inclusion (DEI)
- Commitment to sustainability
- Community care and engagement

Our clients

Our clients include individual investors, financial advisers, institutional investors, charities, and endowments.

We partner with our clients to ensure that our current and future investment solutions meet their financial and sustainability requirements, often tailoring bespoke solutions to meet their needs.

83

attendees at proprietary institutional client events in 2023

- **26** at in-person events
- **17** at educational roadshows
- **40** at site visits

Institutional clients

Institutional investors require new solutions that meet their sustainability and financial objectives, and want to measure the positive contributions their investments are making to the environment and society.

We use our unique position of investing in alternative assets to develop investment solutions that meet clients' specific sustainability outcomes, including:

- Supporting their net-zero and climate targets
- Investing in place-based solutions within their local regions
- Developing natural capital investment solutions
- Providing social impact investments

Case study: developing a bespoke investment solution with West Midlands Pension Fund

The West Midlands Pension Fund (WMPF) considers allocating capital to local investment opportunities to create positive real-world change that also delivers an attractive risk-adjusted return in line with its fiduciary duty.

It believes that investing responsibly and engaging as long-term asset owners improves investment outcomes for its members.

We worked with WMPF to establish the West Midlands PF BSI LP vehicle to enable the fund to increase its exposure to specific sustainable infrastructure and housing investments in the West Midlands and neighbouring counties.

In addition to gaining exposure to Gresham House's British Sustainable Infrastructure Fund (BSIF) and BSI Housing LP, WMPF's commitments have been deployed to fund investments generating local impact into:

- The Locks: supporting the creation of **95 new affordable private rental sector (PRS) homes** in central Wolverhampton
- Greyfriars Court: supporting the conversion of an old office block into **85 new PRS units with solar PV and collocated energy storage** in Coventry
- Telcom: full fibre internet service provider targeting multi-dwelling units and office blocks in the Midlands and North of England. Telcom is targeting **125,000 customers by 2036**
- Environment Bank Ltd: supporting the creation of landscape-scale habitat banks in the West Midlands that deliver biodiversity net gain (BNG), enabling customers to meet their Environment Act obligations or for corporates to become nature positive

Case study: client visits to Fischer Farms

In 2023, Gresham House welcomed 25 investors (local government pension schemes (LGPS)), Endowments, Asset Managers and Investment Consultants) to Farms 1 and 2 of Fischer Farms across two visits in January and November.

Farm 1 (3,200m^2) became operational in 2021. Farm 2 (25,000m^2) is in its final commissioning phase, and will be the world's largest, fully automated vertical farm once completed.

At Farm 2, the group visited the growing rooms and processing lines, were able to see the automated storage and retrieval units, as well as the harvesting and re-seeding systems before the all-important taste test of the farm's produce.

Following this there were interactive presentations from Fischer Farms CEO and Founder, Tristan Fischer, and Greene King, customers of Fresh Direct, the buyer of Fischer Farms produce.

Attendees also had the opportunity to meet and hear from Professor David Hill from portfolio company Environment Bank Limited, a BSIF portfolio investment that presents the opportunity to fund a new asset class that delivers biodiversity net gain units.

98%
less water used than field grown crops

83%
less land required than field grown crops

0
pesticides required

14-21
days longer shelf life

Wholesale clients

Most wholesale investors now expect sustainability to be embedded in the investment process and for managers to demonstrate active ownership in line with stated sustainable investment commitments. We have developed robust sustainable investment policies and processes and continue to ensure rigour in their application.

“

The ESG integration process at Gresham House is highly impressive, with its scope reaching beyond traditional governance metrics considered by many peers. The expertise in both public and private equity as well as real assets puts this manager in a unique spot in terms of the ability to advocate positive change at a wide variety of the underlying businesses.

As investors in the Gresham House public equity strategy that generally tends to favour businesses further down the market capitalisation scale, we see in practice the scrutiny the team impose on corporate management and the resulting change they are often able to achieve.

Janus Henderson

Feedback on our UK Public Equity investment process

Our contributions to the industry

Signatory of:

We play an industry leadership role in supporting and promoting sustainable investment. This includes participation in industry bodies and contributing to thought leadership opportunities to shape the sustainable investment market.

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Industry contributions in 2023

- **48:** Contributions to sustainability-focused educational events as panel experts or event speakers
- **56:** Sustainability-focused articles or comments from Gresham House experts in the press
- **11:** Responses to sustainability-related government/ regulator consultations

UK Sustainable Investment and Finance Association (UKSIF)

- We took part in several roundtable discussions on the formation of the UK's Sustainability Disclosure Requirements (SDR) and contributed to its housing policy recommendations
- We contributed to the draft response to the European Commission's targeted consultation on the Sustainable Finance Disclosure Regulation (SFDR)
- Alongside other investment managers, banks, and asset owners and other financial institutions managing £1.5 trillion in assets under management, we signed a letter to the UK Government expressing concern at its public statements and policy signals, which risk undermining the UK's leadership in the clarity, certainty, and confidence of policymaking toward meeting the UK's commitment to net-zero
- One of the Sustainable Investment team recorded a UKSIF Leadership podcast on the role of investors in retrofitting the UK's housing stock

Solar Energy UK Responsible Sourcing Steering Group

- Members of our New Energy and Sustainable Investment divisions joined Solar Energy UK's Responsible Sourcing Steering Group. This group aims to work with key stakeholders and unravel the complexity of the sector's supply chain, engaging with suppliers and business partners to implement a responsible sourcing programme
- This Group developed a new responsible sourcing statement designed to promote the highest possible levels of transparency and sustainability throughout the solar value chain
- It also developed the Solar Stewardship Initiative, a solar-specific supply chain assurance scheme with a dedicated environmental, social and governance standard

COP28

- Our Managing Director of Sustainable Infrastructure presented at two events at COP28, discussing the current state of biodiversity investment, the potential for these approaches to drive change and the associated challenges

Pensions for Purpose

- Gresham House authored a paper alongside Pensions for Purpose entitled, "Natural capital and biodiversity – where are UK asset owners on their journey?". The paper highlighted the results of a research project that sought to assess where UK asset owners, in particular pension funds, are on their journey of incorporating biodiversity and natural capital into their investment decision-making

Signatory to Principles for Responsible Investment (PRI)

Signatory to UK Stewardship Code

LSE Green Economy Mark[4]

4. GRID plc, Renewable Energy VCTs. Gresham House plc was awarded the LSE Green Economy mark until its delisting from the stock exchange in December 2023.

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Gresham House as a... sustainable investor

Our priority investment topics

We deliver value for our investors by adopting a long-term approach that considers environmental, social and governance outcomes in our investment decision making and actions.

We have identified eight priority topics that form the basis of much of our work as a sustainable investor.

These are split into operational and thematic topics that govern the way in which we do business and the areas that we consider to be high growth ESG areas respectively.

In line with our Corporate Sustainability Strategy, each priority topic has a core objective to be achieved by 2025.

Operational priority topics

Commitment to sustainability: sustainable assets under management (AUM)

2025 strategic objective: Grow sustainable and impact AUM by 2025

Risk & compliance: data, systems and reporting

2025 strategic objective: Enhance ESG data to drive investment decision making, engagement planning and stakeholder reporting

Marketplace responsibility: processes, policies and education

2025 strategic objective: Ensure sustainable investment is consistently integrated across all divisions

Governance & ethics: engaged and active ownership

2025 strategic objective: Apply active ownership activities across all assets effectively and consistently

Thematic priority topics

Climate change and pollution

2025 strategic objective: Set science-based targets on climate change for each division

Natural Capital

2025 strategic objective: Assess natural capital impact and dependencies across our assets; and develop market leading reporting and solutions

Supply chain sustainability

2025 strategic objective: Understand material ESG risks across the supply chain of our most at-risk investments and put in place policies and processes to manage and mitigate these

Employment, health, safety and wellbeing: DEI

2025 strategic objective: Enhance Diversity, Equity and Inclusion (DEI) understanding and practices across our investments

Our investment approach

Our approach to sustainable investment is based on three core components.

1 **Our Sustainable Investment Framework**

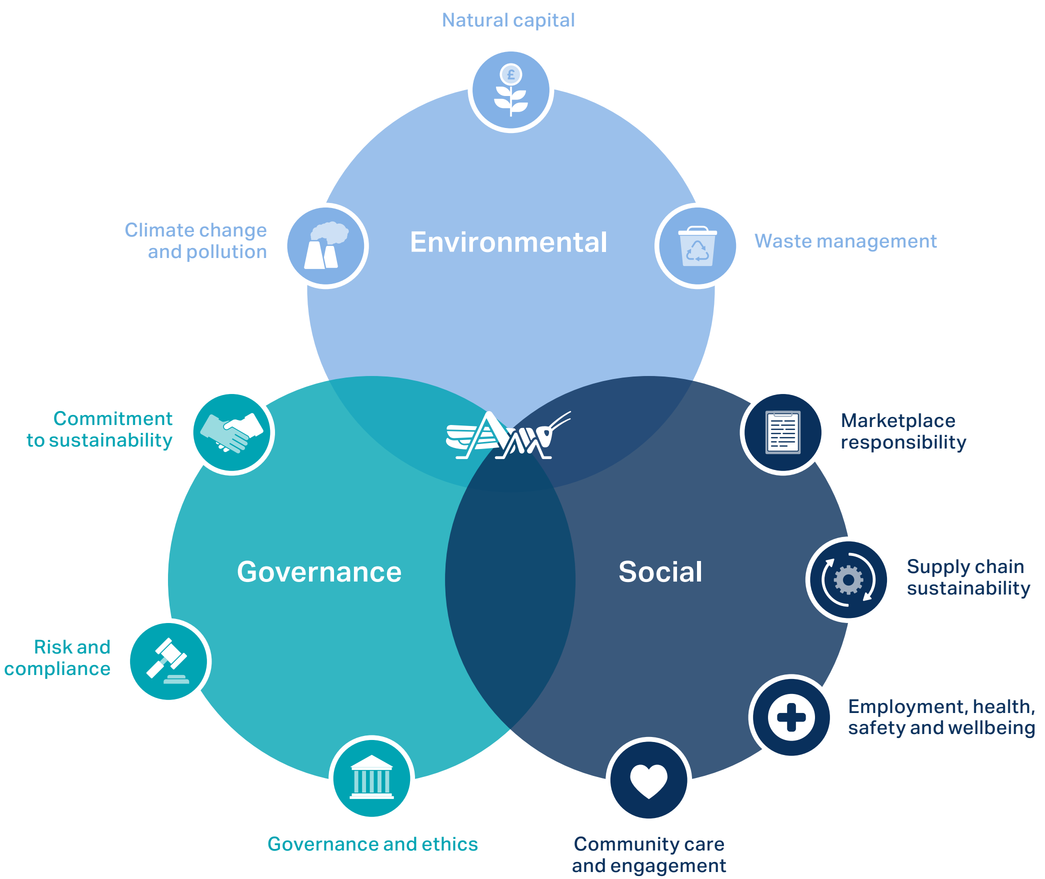
2 **Commitments and committees**

3 **Policies and processes**

These drive a common approach across all our investments and ensure our investment activities reflect our public sustainable investment commitments and our strategic objective to be a leader in sustainable investment.

Sustainable Investment Framework

Our Sustainable Investment Framework is based on ten ESG themes as illustrated below. These themes are considered the most material sustainability factors for our asset divisions.



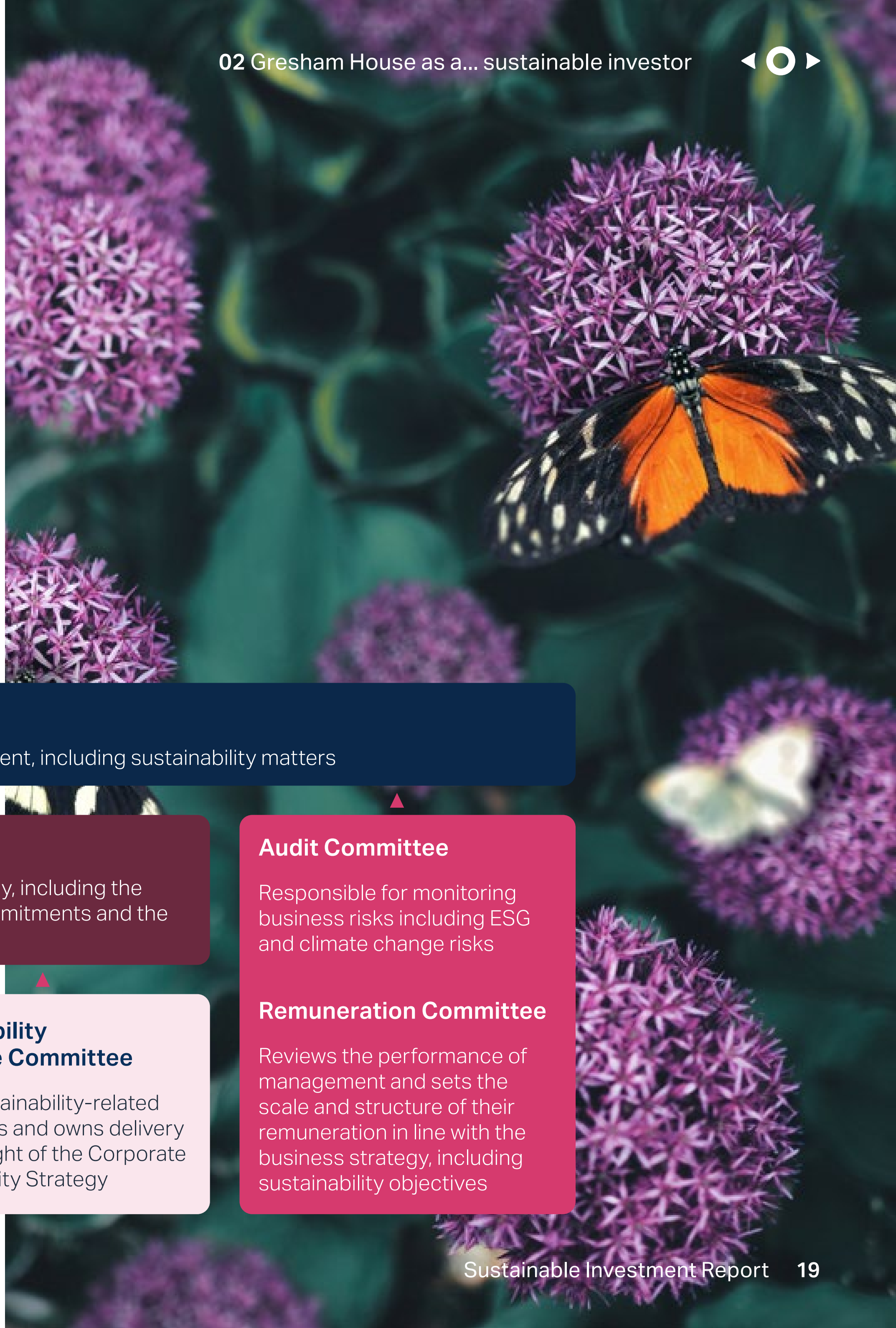
The Sustainable Investment Framework is used by our investment teams to identify the broad range of ESG risks which may materially impact proposed transactions, as well as directing our focus towards more sustainable outcomes.

The ten ESG themes are used to structure analysis, monitor and report on ESG risks and opportunities within the lifecycle of our investments as an aid to more consistent integration across our asset divisions.

These themes form the basis for our ESG Decision Tools. Each asset division has an ESG Decision Tool for their asset class.

The tools support the investment teams in identifying potential material ESG risks that need to be managed and mitigated and help shape the due diligence process prior to investment. They focus on material ESG risks, which can then be tracked, monitored and managed over time.

Commitments and committees



Our commitments

- 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
- Integrate Environmental, Social, Governance and economic benefit considerations into our selection, evaluation, governance and engagement processes across the lifecycle of each investment
- Ensure our team understands the imperative for effective ESG management and is empowered and equipped to carry this out through management support and training
- Conduct regular monitoring of ESG risks, opportunities and performance in our investments and over time, reporting to our investors
- Conduct our business activities in line with the UN-supported Principles for Responsible Investment, including an annual report on our progress towards implementation

Our committees

To ensure high-quality governance of our sustainability strategy, we have developed a network of sustainability-related committees. Following the acquisition of Gresham House by Searchlight Capital Partners in December 2023, the remit of the Nomination and Sustainability Committees was transferred to the full board, while the Audit (which includes corporate risk oversight), Remuneration and Investment Committees have been retained.

Board

Oversees our business strategy and management, including sustainability matters

Group Management Committee

Responsible for delivering the business strategy, including the implementation of sustainable investment commitments and the achievement of sustainability objectives

AIFM Risk Committee

ESG risks are included in our risk register and divisions report on ESG-related risks to this Committee quarterly

Sustainability Executive Committee

Drives sustainability-related deliverables and owns delivery and oversight of the Corporate Sustainability Strategy

Audit Committee

Responsible for monitoring business risks including ESG and climate change risks

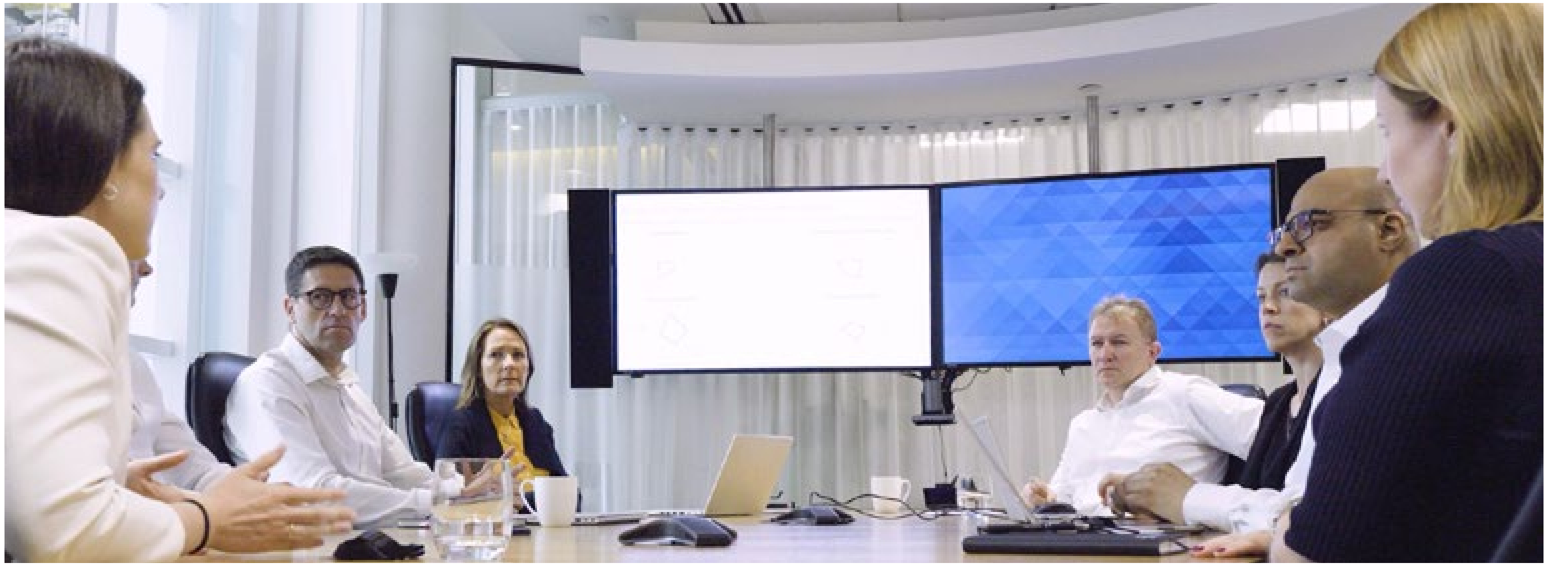
Remuneration Committee

Reviews the performance of management and sets the scale and structure of their remuneration in line with the business strategy, including sustainability objectives

Board sustainability responsibilities in 2023

The Board-level Sustainability Committee met three times in 2023 prior to the acquisition of Gresham House by Searchlight Capital Partners. These meetings enabled the Board to remain on top of sustainability-related progress and challenges for Gresham House during the year. Items discussed included:

- The UK's Sustainability Disclosure Requirements (SDR) and application to Gresham House
- Gresham House's proposed net-zero strategy and its implications for the business
- Progress with our Corporate Sustainability Strategy
- Discussions around Gresham House's Taskforce for Climate-related Financial Disclosure (TCFD) report
- Sustainability-related risks and developments, including those related to regulation
- ESG risk processes evolution and the evolution of our reporting requirements post the acquisition of Gresham House by Searchlight Capital Partners



Sustainability Executive Committee

The Sustainability Executive Committee met six times in 2023 and drove several sustainability-related priorities, including:

- Development of Gresham House's inaugural net-zero strategy
- Development of a group-wide travel policy to reduce our operational Scope 3 emissions
- Enhancing our modern slavery and supply chain due diligence
- Discussing the UK's Sustainability Disclosure Requirements (SDR) and their application to Gresham House
- Evolution and enhancement of our Sustainable Finance Disclosure Regulation (SFDR) and broader regulatory processes

Remuneration Committee

We aim to align employee actions and behaviours with our sustainability ambitions through remuneration. The Remuneration Committee is responsible for determining how sustainability objectives and commitments, as well as other business objectives and targets, are integrated into the remuneration of the Group Management Committee.

In 2023, 20% of Group Management Committee members' annual variable compensation was linked to non-financial objectives and the achievement of our GH2025 strategy, including "becoming a leader in ESG and Sustainable Investing".

Examples of key performance indicators used to assess the achievement of this objective include:

- Sustainability agenda recognition
- Consultant recognition
- Industry/peer group awards
- Execution on the Corporate Sustainability Strategy

At a broader workforce level, sustainability objectives contribute to the performance review for all employees as reflected in the remuneration policies established by our Human Resources team. Targets relating to environmental, social and governance factors contribute to the assessment of performance for all employees when determining variable remuneration.

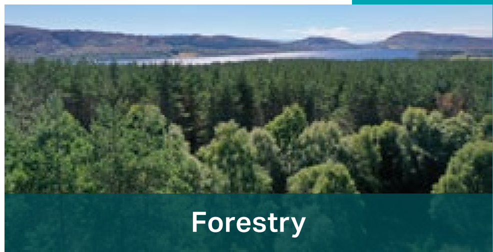
Policies and processes

Gresham House's overarching Sustainable Investing Policy describes our approach to sustainable investment and our commitments to investing sustainably while meeting our overall business objectives.

Beneath this policy, we have asset-specific Sustainable Investment Policies that describe approaches relevant to each asset class.

We also have an Engagement and Voting Policy which sets out our approach to engagement and voting to be followed by Gresham House both in relation to its balance sheet investments and on behalf of its clients.


Group Sustainable Investment Policy


Forestry


UK Housing


New Energy


Sustainable Infrastructure

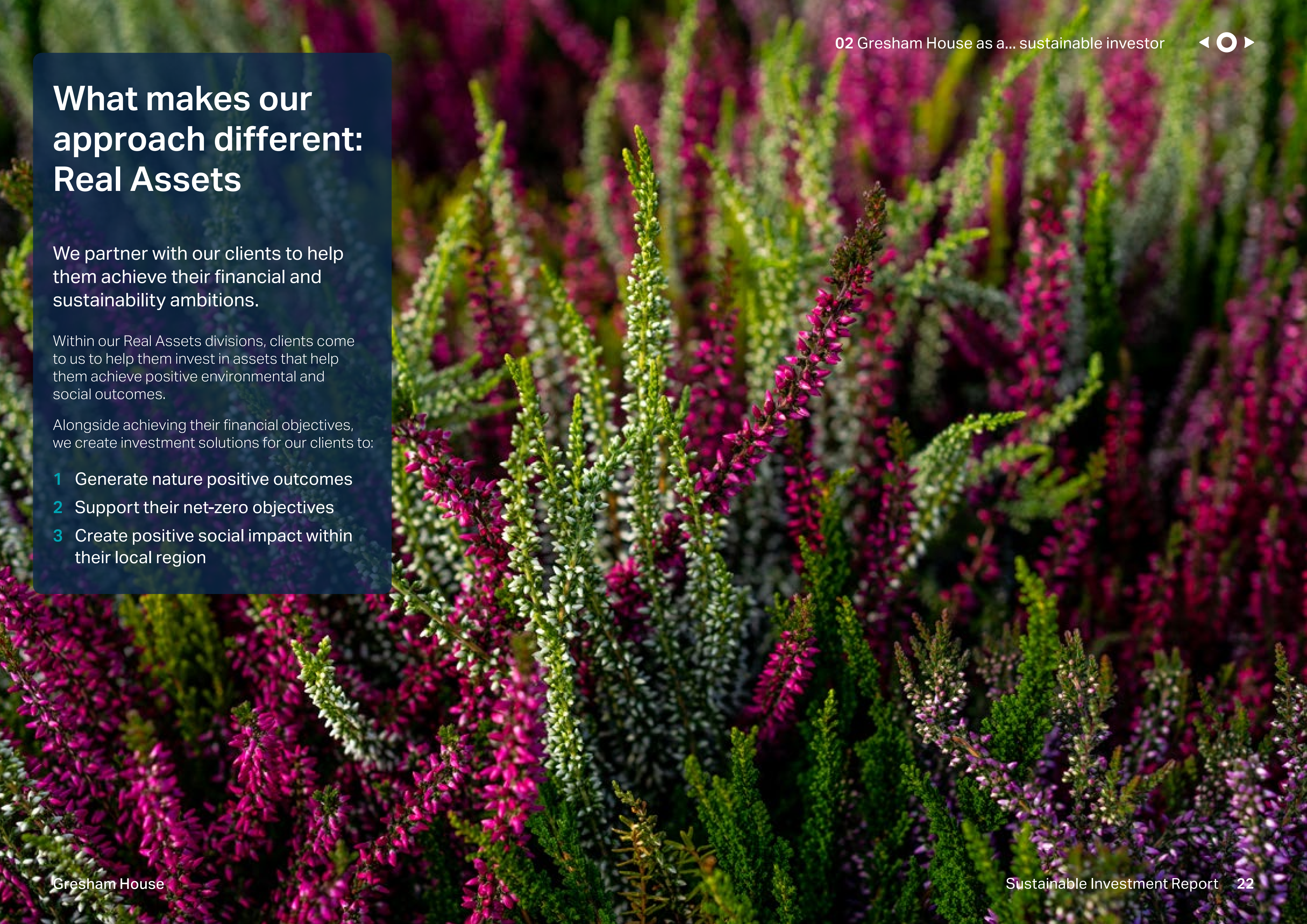

Private Equity


Public Equity


Commercial Real Estate - Ireland


Engagement & Voting


Public Equity - Ireland



What makes our approach different: Real Assets

We partner with our clients to help them achieve their financial and sustainability ambitions.

Within our Real Assets divisions, clients come to us to help them invest in assets that help them achieve positive environmental and social outcomes.

Alongside achieving their financial objectives, we create investment solutions for our clients to:

1. Generate nature positive outcomes
2. Support their net-zero objectives
3. Create positive social impact within their local region

Natural capital

Investment proposition: Provide our clients with a platform of return-generating natural capital assets with established track records and across new nature markets

Example assets	Ways to invest at Gresham House
Biodiversity creation	GH Biodiversity Co-Invest
Carbon forestry	Forestry Funds
Productive forestry	Forestry Funds
Vertical farming	Sustainable Infrastructure Funds

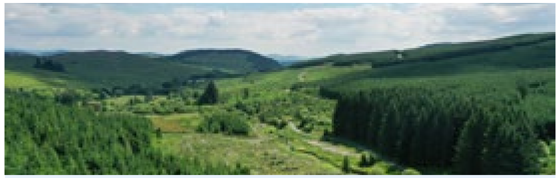
2023 real world impact

- 6.4mn trees planted in the year
- 1.6mn tonnes certified timber sold
- 469 hectares created to support nature recovery

Net-zero

Investment proposition: Support our clients' decarbonisation ambitions and the global transition to net-zero carbon emissions

Example assets	Ways to invest at Gresham House
Battery energy storage systems (BESS)	GRID plc
Productive forestry	Forestry Funds
Renewable energy	Renewable Energy Funds
Waste to energy	Sustainable Infrastructure Funds



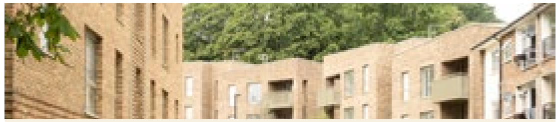
2023 real world impact

- 418 GWh renewable energy generated
- 668k tCO_2e avoided by our BESS assets
- 1.9mn tCO_2e sequestered by our forests

Social impact

Investment proposition: Invest in place-based solutions that generate local positive outcomes

Example assets	Ways to invest at Gresham House
Affordable housing	ReSI LP and PLC
Specialised healthcare	Sustainable Infrastructure Funds
Childcare	Sustainable Infrastructure Funds
Digital inclusion	Sustainable Infrastructure Funds



2023 real world impact

- 168,000 premises passed with "ready for service" full fibre broadband
- 2,832 nursery places managed
- 100% shared ownership homes deemed affordable by The Good Economy

Spotlight on... natural capital

The next frontier in sustainable investment

Investors are turning their attention to natural capital as the depletion and damage to global natural resources are fast translating to financial risks. Nature has subsidised our growth to its serious detriment, creating another existential threat, inextricably linked with climate change.

New nature markets are evolving as a result of new regulation and the introduction of voluntary frameworks which place a value on nature. Natural capital is no longer an abstract environmental concept; it is a tangible asset class.

Recognising the inherent value of nature, and its importance to global economies, can create new investment opportunities that have the potential to generate investor returns whilst protecting and restoring nature.

What is natural capital?

Natural capital encompasses the world's natural assets - air, water, soil, and biodiversity - these combine to provide a flow of benefits to people. These benefits – from clean air and water to fertile soil and pollination – have tangible economic and societal value that is not accurately reflected in existing and traditional financial markets.

What does natural capital mean to Gresham House?

At Gresham House, natural capital means providing investors with access to return-generating real assets that contribute to both the transition to a nature positive economy and a net-zero economy. We deliver these investments access through the following four areas:

- Production of sustainable natural resources
  - Produce sustainably managed timber and food to contribute to the circular economy and reduce agricultural impacts on nature
- Avoid and mitigate climate change
  - Contribute to the transition to net-zero by avoiding, reducing and removing carbon emissions
- Restore and protect biodiversity
  - Contribute to the transition to a nature positive economy by protecting and restoring biodiversity by creating habitats and applying specialist land management techniques utilising natures' intricate infrastructure
- Create social value and support long-term stewardship of nature
  - Provide community value through access to nature, create employment opportunities and protecting or securing land rights

$7 trillion is invested globally in activities that have a direct negative impact on nature

$200 billion is invested into nature-based solutions[5]

5. UNEP Sate of Nature 2023

Our natural capital capabilities

We are the world's ninth largest natural capital manager[6] and provide our clients with a platform of return-generating natural capital assets with established track records, including sustainable forestry, sustainable agriculture, carbon forestry and biodiversity creation.

Sustainable forestry

Timber markets are a well-established natural capital market that have a long track record and are considered by many investors as a core component of natural capital portfolios. Certified, sustainable timber supports a transition to a lower carbon economy, sequestering carbon in forest biomass and soils, and may help to relieve pressure on highly diverse and threatened forests. More information on our Forestry strategies can be found on page 30.

During production, one tonne of:[7]

- Concrete releases 159 kilos of CO_2
- Steel releases 1,240 kilos of CO_2
- Aluminium releases 9,300 kilos of CO_2
- Wood absorbs a net 1,700 kilos of CO_2

Sustainable agriculture

We have invested in vertical farm technologies that currently grow herbs and leafy greens indoors on multiple levels of shelving, using hydroponics and LEDs.

- **98% less** water used than field grown crops[8]
- **98% less** land required than field grown crops
- 0 pesticides required
- **14-21 days** longer shelf life, hopefully reducing food waste

8. Land and water savings compared with conventional farm as per analysis by Carbon Responsible, November 2021. All data: Fischer Farms analysis, 2021

Carbon forestry

This is a developing natural capital market which places a value on carbon sequestered in forest biomass to generate carbon credits that can be sold on voluntary or compliance carbon markets. We are planting trees globally to generate returns through a combination of timber revenues and carbon credit sales.

- **15mn tCO_2e** estimated sequestration of our UK and international afforestation projects over the next 5 decades[9]
- **92mn trees** under management in New Zealand are expected to generate 13mn carbon units to be sold in the NZ compliance carbon market
- **240,000 tCO_2e** is expected to be sequestered on an 800 hectare planting site in Scotland over the next 80 years

9. Gresham House internal calculations. For more details on targets, estimates and assumptions, please contact Gresham House

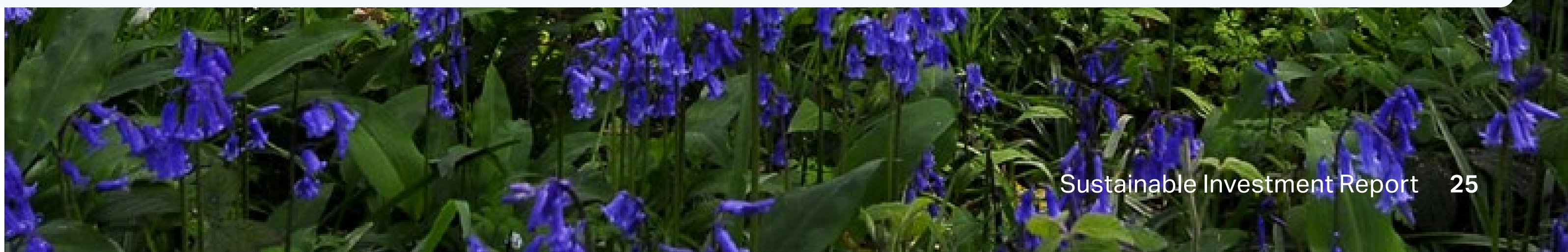
Biodiversity creation

The introduction of mandatory biodiversity net gain for planning permissions in England has created a catalyst for biodiversity as an investment class. Gresham House is supporting Environment Bank Limited in the development of large landscape scale habitat banks across England.

These are 25 to 500+ hectare sites where habitats such as wildflower meadows, wetlands or woodland scrub are created and will serve both this new biodiversity credit compliance market and the emerging voluntary markets which is being catalysed by businesses wanting to take action to transition to a nature-positive world.

- **20 - 40ha** typical habitat bank size[10]
- **30 years** biodiversity is created and maintained

10. Environment Bank Limited



6. IPE Research 2023
7. Gresham House Global Timber Outlook, July 2020

Spotlight on... net-zero

Global greenhouse gas emissions must be reduced by 45% from 2010 levels by 2030 and reach net-zero by 2050 to limit global warming to 1.5°C above pre-industrial levels, averting the most catastrophic impacts of climate change.[11]

Government spending alone will be insufficient in achieving the required emissions reductions. Significant private investment is required to address this funding gap, which presents material opportunities for investors in mobilising the solutions required to reach net-zero.

45%

global greenhouse gas emissions must be reduced by 45% from 2010 levels by 2030

11. IPCC

What does net-zero mean to Gresham House?

Our role as specialists in sustainable alternatives means we are committed to investments such as new energy, sustainable infrastructure and forestry that provide long-term solutions to the transition to a low-carbon economy. Our investments are characterised by long-term investment horizons that are inherently aligned with climate-oriented, long-term approaches to risk and opportunity.

We are acutely aware of the potential impact both physical and transition climate risks may have on the financial value of the Group, our assets and our investments. The identification, assessment and management of climate-related risks forms a core part of our investment strategy.

For example, within our forestry division, we commit to all forests being planned and managed to enhance their resilience to climate change, including through diversification of geography, species, age and end-product use.

We also make use of climate scenario modelling to assist in developing temperate forests where current and future climates are supportive of the growing of softwood timber.

Our net-zero capabilities

We provide our clients with the opportunity to invest in a range of asset classes with returns that are tied to climate-related opportunities. These include:

- Renewable energy generation and battery energy storage solutions within **New Energy**
  - In 2023, our renewables assets generated 418GWh of renewable energy, equivalent to powering 130,000 homes
  - Our battery assets' capacity of 690MW avoided 680,000tCO_2e in 2023
- Sustainable building materials and carbon sequestration within **Forestry**
  - In 2023, our forests sequestered 1.9mn tCO_2 and we planted 6.4mn trees across the 196,000 hectares of forest that we manage
- Innovative agricultural practices, biodiversity net gain, and waste-to-energy solutions within **Sustainable Infrastructure**
  - In 2023, GH Bio Power processed 6.7mn tonnes of used cooking oil into biofuel
- Low-carbon homes within **UK Housing**
  - 75% of our new build Shared Ownership homes are at least an EPC A, the highest energy efficient rating

We continue to invest in new product development to offer clients the ability to meet their sustainability and climate objectives alongside their financial ambitions.

In 2023, we published our inaugural Taskforce on Climate-Related Financial Disclosures (TCFD) report, a year ahead of the mandatory deadline. Our TCFD report outlines how we consider climate-related risks and opportunities in our business operations.

More information on our net-zero capabilities can be found in the divisional sections of the report.

Spotlight on... social impact

In the UK, chronic public underinvestment has generated a material investment gap.

Since 1990, annual total investment as a share of GDP has been on average four percentage points below that of other G7 economies.[12]

Private capital has a role to play in addressing some this funding gap and delivering new infrastructure to support the health, education, safety and wellbeing of society.

What does social impact mean to Gresham House?

Whether it be enabling equitable and affordable access to the internet in hard-to-reach areas, delivering high-quality early years education or proving housing that is affordable to local residents, we look to invest in place-based solutions to generate local, positive outcomes.

This has the potential to contribute to the levelling-up agenda by supporting job creation and business expansion in regional areas, whilst also adding to pension schemes' social investment goals.

12. UK Green Alliance, 2024

Our social impact capabilities

Our real asset investments deliver social impact beyond financial returns by emphasising long-term value creation and generating meaningful contributions to society.

Sustainable Infrastructure

Our Sustainable Infrastructure strategy provides profitable, real asset-based solutions intended to address key environmental and societal challenges.

It invests across six sub-sectors; key investments that target social impact include:

- Digital inclusion: infrastructure to provide better access, connectivity and productivity for all parts of society
  - In 2023, we passed 168,475 premises with "ready for service" full fibre/gigabit-capable broadband
- Health and Education: infrastructure to improve access to high quality specialised health and education
  - In 2023, our investment, N Family Club, managed 2,832 nursery places

More information on our Sustainable Infrastructure strategy can be found on page 35.

Real Estate

Our UK Housing strategy aims to generate local impact across six measurable themes, each of which carry their own target outcomes:

- Additionality: increase the supply of UK affordable housing
- Affordability: construct new, high-quality housing that is affordable to low and middle-income local residents
- Customer service: achieve best-in-class customer service
- Resident experience: ensure the delivery of high-quality, safe homes
- Environmental benefits: ensure new homes are energy efficient
- Community regeneration: deliver investments that regenerate a particular site/area

Our flagship Shared Ownership fund, ReSI LP aims to deliver quantifiable social and environmental impact through the delivery of additional, energy efficient, affordable housing.

- The part-buy, part-rent model directly reduces housing costs for residents through shared ownership rents that are typically at a c.30% discount to market rates, while making home ownership more affordable and accessible to people on lower and middle incomes
- A shared owner can expect to save more than £300k over a lifetime compared with remaining in the private rented sector[13]

More information on our Real Estate strategy can be found on page 44.

-4pp

since 1990, annual total investment as a share of GDP has been on average four percentage points (pp) below that of other G7 economies

13. Assumptions: £300,000 house purchase; mortgage rate 5.0%; mortgage term 30 years; deposit requirement 10%; Shared Ownership rent 2.75%; shared ownership and PRS rent inflating at RPI+0.5%; service charge / maintenance cost of £1,500 (increasing with RPI); first tranche shared ownership sale 25%; market rent yield of 5.0%.

Our investments: Real Assets and Strategic Equity

Our Spectrum of Capital, shown below, details how we think about the extent to which sustainability risks and outcomes are integrated into our investment strategies.

The spectrum of capital ranges from 'Traditional' (focused on financial returns) to 'Philanthropy' (only non-financial returns, to the extent that investors accept full loss of capital).

We provide investment solutions from 'Responsible' through to 'Impact', all incorporating ESG analysis into selection, evaluation, governance and engagement processes across their lifecycle.

We will ensure terms used in our Spectrum of Capital continue to reflect evolving regulation and industry standards to standardise sustainability terminology.

	Traditional	Responsible	Sustainable	Impact	Philanthropy
Gresham House strategies			Real Assets	Real Assets	
		Strategic Equity	Strategic Equity		
Returns	Financial returns ←				→ Non-financial returns
Investment approaches	Financial assessment	Financial assessment	Financial assessment	Financial assessment	Financial assessment
		ESG Integration & Active Ownership - ESG factors used to identify risks and inform stewardship activities (engagement and voting)	ESG Integration & Active Ownership	ESG Integration & Active Ownership	ESG Integration & Active Ownership
			E&S Characteristics - ESG factors used to identify opportunities which benefit people and planet	E&S Characteristics	E&S Characteristics
				Additionality - actively contribute to solutions positively impacting people and planet	Additionality
Explanation	ESG factors are not considered as part of risk or opportunity analysis	ESG factors are considered as part of risk analysis and may involve excluding some harmful products	ESG characteristics, themes or objectives are used to identify investment opportunities whilst generating at least market returns	Aim to contribute to solutions of one or more challenges facing people and/ or planet with additionality verifiably measured. Aim to generate at least market returns but may accept some level of financial trade –off	Aim to contribute to solutions of one or more challenges facing people and/or planet but accepting full capital loss

Real Assets

Our range of real asset investment products provide protection from inflation through proven, long-term sustainable, asset-backed investments.

In many cases, they also provide the potential for uncorrelated returns to equity markets as well as diversified sources of income.

How we integrate ESG

Our Real Asset investments sit within the Sustainable and Impact categories of our Spectrum of Capital. ESG factors are assessed from a risk and opportunities perspective to generate at least market-level investment returns. Our funds also aim to actively contribute towards solutions to some of the largest environmental and societal challenges and produce positive real-world outcomes.

ESG integration into the investment process for our Real Assets

1. Sourcing

Sustainability considerations are integrated from the point of investment product design and in the initial sourcing of new investment opportunities.

2 Initial Appraisal

ESG risks and opportunities are considered at this stage. This may lead to further investigation at Due Diligence stage. If certain risks are unlikely to be managed or mitigated, we may not proceed.

3. Due Diligence

The ESG Decision Tool and stakeholder meetings, including with specialised consultants, ensure our teams assess material ESG risk or opportunities to be managed or that could drive value.

4. Investment Appraisal and Acquisition

A summary of ESG findings are included in Investment Committee papers. This will include proposed action plans to mitigate or capitalise on ESG factors.

5. Ongoing management and asset operation

Plans developed at the Appraisal and Acquisition stage are implemented by our teams. All assets are managed in line with relevant sustainability requirements or standards for the asset class.

Forestry

Gresham House is the largest sustainable productive forestry investment manager in the UK.[14]

Our 40+ year track record in Forestry management makes us the ninth largest natural capital manager globally.[15]

We manage 193,000 hectares of primarily softwood forests in the UK, Ireland, Australia and New Zealand, but we are increasingly expanding our activities to other geographies and focusing on afforestation using as great a diversity of species as possible.

We also invest in international carbon forestry where trees are grown and managed for the generation of carbon credits.

Our Forestry assets offer solutions to key sustainability challenges:

- Timber can support the decarbonisation of residential and commercial construction through the production of renewable building materials.
- Sustainable forest management can also provide wider ecological co-benefits, such as carbon sequestration and storage, and biodiversity gains through improved habitat connectivity.
- Investment in sustainable forestry and afforestation, under strict sustainability certification standards, may help to contribute to the avoidance of deforestation of natural forest, ensuring that an ever larger portion of the world's future timber demand is met by harvesting trees grown in forests that are sustainably managed.

Real world outcomes	2022	2023
Scope 1&2 GHG emissions (tCO_2e)	38,942	43,221
Scope 3 GHG emissions (tCO_2e)	45,435	50,427
Carbon intensity (Scope 1,2&3 tCO_2e/£mn invested)	24.6	31.5
Area under management (ha)	175,000	193,000
Total trees planted[16]	9,114,000	6,419,000
Of which were new trees	*2,367,000*	*1,714,000*
Of which were trees planted for restocking	*6,746,000*	*4,706,000*
Estimated carbon sequestration of forests under management (tCO_2)[17]	1,870,000	1,874,000
Carbon stock in standing inventory (tCO_2)	41,816,000	41,135,000
Forests certified as a percentage of area (%)[18]	88	83[19]
Certified timber sold (tonnes)	1,157,900	1,557,000
Area of land managed for biodiversity (%)	13	18
Area of land managed for conservation (%)[20]	NA	5

14. By area under management. Forestry Journal, 2022
15. IPE research Jan/Feb 2023
16. Reduction in tree planting driven by lower levels of harvesting in 2022
17. In 2023 we reviewed our carbon methodologies and changed to align with the most current and widely accepted techniques and guidelines from the Intergovernmental Panel on Climate Change (IPCC)
18. Certification figures cover UK and Irish discretionary funds
19. Difference in 2024 is as a result of increase in new planting area. New planting is not eligible to be certified until later in its life. We target 100% of our properties to be certified when of sufficient maturity
20. In 2024 we updated our Woodland Manager Questionnaire to separate out land managed for biodiversity and that managed for conservation. The Questionnaire excludes those properties not managed for forestry, such as windfarms

Outlining our commitments to sustainable forest management in our forest charter

Sustainable forest management is about managing forests to meet our clients' financial and wider investment objectives while also managing the social and environmental impact and dependencies of the assets.

The consideration of long-term sustainability risks and opportunities, including those relating to climate change and biodiversity loss, is a crucial aspect of our management approach.

We commit to managing all our forests sustainably in line with, or beyond, international standards. Our charter summarises the core principles and criteria underlying these standards and the commitments we make regarding sustainable forest management at Gresham House.

The following case studies demonstrate how we manage our forests in line with our charter commitments across the following areas:

- Forest products & services
- Climate change
- Biodiversity & ecology
- Forest protection
- Income & employment
- Communities & people

Case study: modern woodland creation at the Fasque Estate

In October 2021, Gresham House completed the acquisition of c.800 hectares (ha) of land for woodland creation on the Fasque estate, near Fettercairn in Aberdeenshire.

Since the acquisition, 336 hectares of native productive conifers (Scots pine) and 78 hectares of Norway spruce have been planted, while 47% of the land is being managed primarily for the conservation or enhancement of biodiversity. Fasque is the largest Scots pine scheme in the Grampians, aiding the reforestation of Scotland's native pine forest

Today, the site is a multispecies plantation that will provide an evergreen resource of sustainable timber production, biodiversity benefits, as well as income, employment and leisure for the local community.

Communities and people

We believe that sustainable forest management requires engagement, not just with those who live close to the trees, but the wider population that enjoy woodlands for recreation, leisure and tourism activities.

Planting the Fasque Estate involved a consultation process integrating viewpoints from a wide array of stakeholders, including but not limited to:

- Fasque Estate
- Scottish Forestry
- Local Residents
- Historic Environment Scotland
- Walking groups

The consultation process was key in gaining local support for the scheme and no grievances were raised about the final design.

Forest products and services

Over 1.1 million timber-producing trees have been planted on the scheme at the Fasque estate since last year, 81% of which are native to Scotland. 220,000 tonnes of timber are expected to be harvested over the next 60 years from Fasque.

Biodiversity and woodland ecology

Nearly 70% of the land for woodland creation has been planted with native trees, which have coevolved to support surrounding ecological systems. These trees require less maintenance, while additionally supporting greater flora and fauna.[21]

There are three water features on the estate, as well as important grouse leks. Riparian zones of low-density native broadleaves have been created around these features, creating a dappled woodland which aims to improve the habitat for local animal populations, as well as serving hydrological functions.

Land use	Area (Ha)	%	UKFS req.
Internal open ground (IOG)	155	20%	>10%
Mixed broadleaves (MB)	212	27%	>10%
Norway spruce (NS)	78	10%	N/A
Scots pine (SP)	336	43%	N/A
Total	781	100%	

70%

of the land for woodland creation has been planted with native trees

21. Woodland Trust, 2020

Case study: modern woodland creation at the Fasque Estate (continued)

Climate change mitigation

At Fasque, Scots pine has been used in planting for its growth qualities on marginal land. Scots pine seeds selected from tree stands around the UK, predominantly from nurseries in North Scotland, have been used for their superior yield to improve sequestration rates.

240,000

tonnes of carbon will be captured over 80 years by the woodlands created at Fasque

It is estimated that just over 240,000 tonnes of carbon will be captured over 80 years by the woodlands created at Fasque.

Taking establishment emissions and timber harvesting into account, the planting scheme is expected to generate 128,270 carbon credits. This project has been registered with the Woodland Carbon Code.

Income and employment

We believe sustainable forest management demands engagement with local communities to deliver beneficial social and economic outcomes. A duty of stewardship underpins our approach, ensuring that all in-forest operations utilise local contractors, where possible, to guarantee the associated economic and social benefits for local communities.

At Fasque, all aspects of the planting process, including ground preparation, planting, fencing and deer management have been undertaken by Scottish contractors and the majority of the trees have been sourced from nurseries in the North of Scotland.

Forest protection

Effective forest protection is essential to preserve and improve the range of ecological, environmental and social benefits associated with woodlands. Throughout the planting design process many opportunities were identified to maximise the protection of the forest:

- Scots pine seeds were picked for their performance in higher temperate climates, reflecting estimates on 2050 climate conditions.
- Riparian zones were planted to improve the hydrological functions as well as create habitat areas.
- Deer fencing was erected to protect young crops from grazing damage.
- Local pest controllers were engaged to shield crops from harmful pest damage.

Case study: eDNA pilot study on the Scottish borders

Understanding how biodiversity responds to changes in land-use is critical for managing the impacts of afforestation at scale.

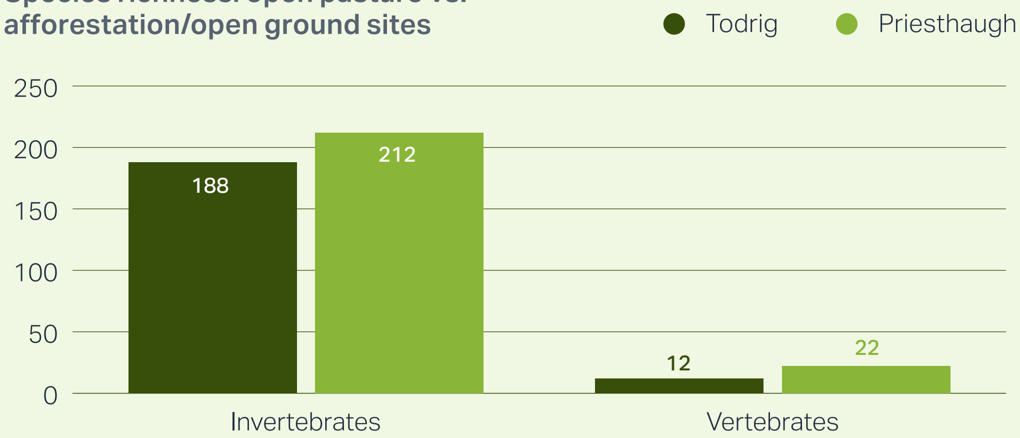
In 2023, our team undertook a study to explore the differences in patterns of biodiversity between open farmland that had been set aside for afforestation and mature, productive woodland.

The pilot study compared a potential afforestation site (open hill pasture) at Todrig and mature productive woodland at Priesthaugh, controlling for environmental co-variates such as soil, climate and water catchments.

Initial results suggest that aspects of biodiversity associated with open pasture are maintained within sustainably managed forests, alongside woodland species.

However, species richness (alpha diversity) across invertebrates, vertebrates and mammals was marginally higher at Priesthaugh than the open hill ground at Todrig, with over 212 species recorded.

Species richness: open pasture vs. afforestation/open ground sites



Sustainable Infrastructure

Gresham House's Sustainable Infrastructure strategies invest in future-proofed sustainable solutions for all aspects of our lives, from how we live, work, learn, travel, eat, stay healthy and protect nature.

We take a thematic approach to investing, allocating to the following sub-sectors in a diversified and holistic way to take advantage of the most attractive opportunities available in each:

Decarbonisation

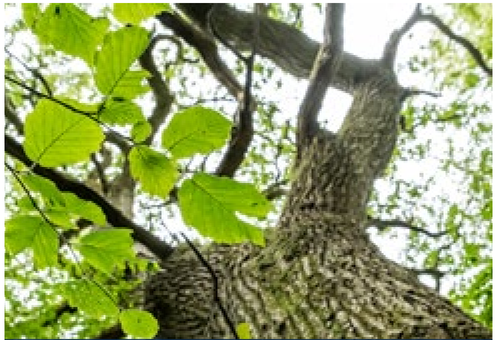
Infrastructure that enables the lowest cost migration to clean energy in harder to abate industries.

Digital inclusion

Infrastructure to provide better access, connectivity and productivity for all parts of society.

Health & Education

Infrastructure to improve access to high quality specialised health and education.



Regeneration

Restoration of nature and biodiversity enhancement through 'nature based solutions'.

Resource Efficiency

Infrastructure that can make better use of our finite natural resources.

Waste Solutions

Infrastructure to convert waste into a valuable product and energy.

Assessing our impact using the Impact Frontiers' Five Dimensions of Impact

Our Sustainable Infrastructure division aims to intentionally generate positive impact alongside a financial return.

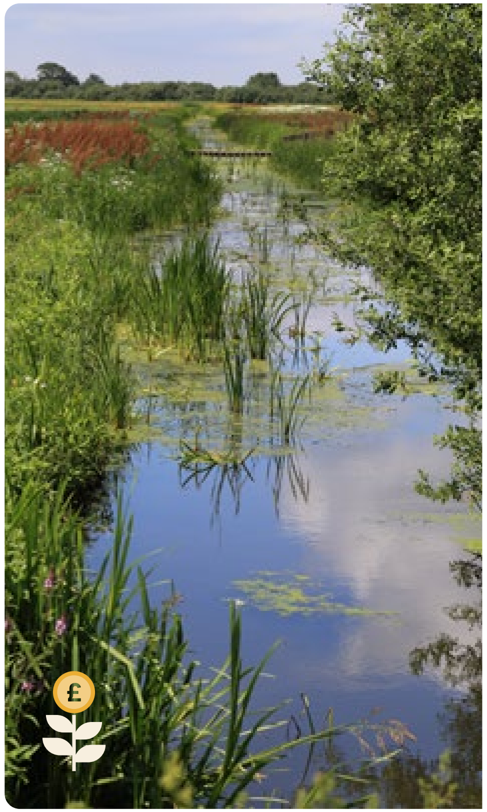
In order to monitor and measure the impact of our investments, we apply our proprietary impact framework that is closely tied to the principles of the Impact Frontiers (formerly Impact Management Project).

The framework ensures that impact is considered at every stage of the investment process through the following four steps:

1. **Identify intended impact type and affected stakeholders:** we outline whether the investment is looking to avoid harm, benefit stakeholders or contribute to solutions and identify the core stakeholders who will be affected by the investment
2. **Source aligned opportunities:** we will only invest in opportunities that contribute positively to society or the environment. This is assessed using the Impact Frontiers' Five Dimensions of Impact:
   - what outcome we are looking to make
   - who will experience that outcome
   - how significant the effect will be
   - how it contributes to a business-as-usual scenario
   - what might risk that impact not being achieved
3. **Outline expected investor contribution, set targets and measure:** we apply a combination of four key levers to influence the outcomes of our investments: – signal that impact matters – engage actively – grow new/undersupplied capital markets – provide flexibility on risk adjusted returns We then set measurable impact objectives and monitor these over time to ensure positive impact is achieved
4. **Take action within our control:** building on the first three stages, we outline how these come together to ensure that we are able to generate positive impact throughout the period of investment

The above outlines the impact we have had over the previous 12 months across all of our Sustainable Infrastructure strategies.

Real world outcomes	2022	2023
Scope 1&2 GHG emissions (tCO_2e)	2,146	5,402
Scope 3 GHG emissions (tCO_2e)	1,139	4,010
Carbon intensity (Scope 1,2&3 tCO_2e/£mn invested)	9.9	16.9
Used cooking oil processed into biofuel (litres)	4,336,125	6,713,500
Solid recovered fuel (SRF) diverted from landfill and turned into pellets (tonnes)	0	12,425
Total hectares supporting nature recovery completed in year	329	469
Premises passed with "ready for service" full fibre/gigabit-capable broadband	66,308	168,475
Total nursery places managed	1,919	2,832



Pioneering habitat banks as a new infrastructure asset class

In 2021, Gresham House's Sustainable Infrastructure division invested in Environment Bank Ltd (EBL). Through the provisions of the Environment Act 2021, which provides the legislative catalyst to define a biodiversity marketplace, Environment Bank creates landscape scale habitat banks from unproductive land.

This is a new infrastructure asset class which creates and sells biodiversity net gain (BNG) to developers who require it to satisfy planning obligations in England, and/or to corporates who wish to become nature positive. Habitat banks thereby form part of the solution to the existential threat of biodiversity decline and climate change.

Case study: delivering Emberton Habitat Bank at Wood Farm, Milton Keynes

Emberton habitat bank is a 38 hectare site on Wood Farm, north-east of Milton Keynes.

The proposed habitat bank is located within Wood Farm, a working farm and campsite. The location of the habitat bank will provide connectivity to parts of Wood Farm where habitat creation has previously been undertaken, such as a recently planted woodland.

Habitats on site currently comprise two large fields with very limited arable weed or botanical interest.

Strategic significance of the site

The site at Wood Farm is located within the National Habitat Network, within Biodiversity Enhancement Zone 2. These are areas which connect existing areas of primary and associated habitats and where the creation of additional green infrastructure is desirable.

Creating habitats within this area will connect existing ancient woodland and local wildlife sites within the surrounding area.

There are opportunities to buffer and extend these priority habitats while also increasing the connectivity to the wider landscape. Wood Farm also includes opportunities for the restoration of lowland meadow and the creation of hedgerows which are identified within the Biodiversity Action Plan.

Overview of habitat proposals

The target habitats include lowland meadow, other neutral grassland, mixed scrub and native species rich hedgerows. These habitats have been identified taking into consideration the wider landscape character of the area, the environmental conditions of the site and in collaboration with the landowner.

Details are included within the Habitat Enhancement and Management Plan which is a schedule to the Habitat Management agreement entered into between Environment Bank and the landowner.

Over the next 30 years, this site will become established, reach target condition and be maintained as high quality habitats delivering biodiversity net gain.

CGI render of proposed habitat bank in Milton Keynes

Case study: turning waste into a replacement for fossil fuels at Waste Knot Energy

Investment overview

Gresham House's Sustainable Infrastructure division first invested into Waste Knot Energy (WKE) in 2020. WKE plans to deliver several waste pelletisation projects, using advanced manufacturing technology to turn non-recyclable commercial and industrial waste materials into high calorific value, Solid Improved Recovered Fuel (SIRF) pellets.

These refined waste pellets can directly replace coal and pet coke in energy intensive and high emitting manufacturing processes, such as cement and steel production.

Impact credentials

Assuming it operates at full capacity, WKE provides an enabling technology in the SIRF value chain that produces an estimated total carbon benefit of 795,828t CO_2e every year. Over its assumed 30-year life, that equates to savings of around 24 million tonnes of CO_2e across the value chain.[22]

22. Monksleigh & Sol Environment analysis of Waste Knot. Assumptions cover initial mechanical biological treatment of waste into SRF, benefits of avoiding sending waste to landfill, transport of SRF to WKE facilities, process of transforming SRF into pellet form and the carbon benefit of replacing PET coke with WKE SRF pellets in the cement kiln process.

The first facility is based in Middlesbrough and will process c.300,000 tonnes of non-recyclable SIRF waste per annum and turn it into c.250,000 tonnes of pellets.

Transitioning from construction to operational

Over the past two years, management has faced many hurdles in bringing the project to this stage, notably around site design and planning. Over that period the deal team worked with the current management team to redefine the business plan and ensure WKE's commercial viability.

As a result, most of these challenges have been successfully addressed, and the business is now delivering on the revised plan and timeline established at the beginning of 2023.

In 2024, the plant anticipates processing 205k tonnes of SIRF and selling 162k tonnes of pellets. The plant aims to be at full production capacity by Q4 2024.

New Energy

The Gresham House New Energy strategy invests in three growth technologies supporting the shift from a world powered by finite resources to a rapidly evolving new energy system: Wind, Solar and Battery Energy Storage Systems (BESS).

We aim to support the decarbonisation of energy systems by investing in and developing new renewable energy generation and BESS assets and demonstrate additionality through developing new technology capacity over time.

Real world outcomes	2022	2023
Scope 1&2 GHG emissions (tCO_2e)	14,572	12,882
Scope 3 GHG emissions (tCO_2e)	1,876	2,082
Carbon intensity (Scope 1,2&3 tCO_2e/£mn invested)	44.0	35.4
Renewable energy generation (GWh)[23]	487	418
Equivalent homes powered[24]	*138,700*	*129,136*
Carbon emissions avoided (tCO_2e)[25]	*210,300*	*177,348*
New renewable generation capacity (GWh)	0	0
Operational BESS capacity (MW)	550	690
Carbon emissions avoided (tCO_2e)[26]	*510,219*	*677,775*
New operational BESS capacity (MW)	125	140
BESS capacity under construction (MW)	477	377
Community benefit fund contribution (£)	483,000	531,668
Renewable assets with habitat management plans	88%	91%

23. Disposal of assets left a smaller generating base alongside low wind speeds
24. Calculated for 2023 using the BEIS average annual household energy usage of 3.239MWh (DESNZ, January 2024). This decreased from an average annual household usage of 3.509MWh in 2022
25. Calculated for 2023 using a 424g tCO_2e/GWh carbon intensity figure for "all non-renewable fuels" (DESNZ, July 2023, table 5.1) and applying the Renewable UK methodology
26. Carbon Responsible. In 2024 we are working with industry peers to agree upon a common methodology

Supporting the global transition to net-zero emissions

The New Energy team is fully committed to investment in and development of new renewable energy generation assets and BESS that will power the renewable energy transition.

We are focused on investing in additional BESS and renewable energy asset capacity, as well as engaging with key stakeholders to drive industry change.

BESS assets

BESS enable a cost-effective energy transition to a renewables-based energy economy by supporting security of supply and providing balancing mechanisms for the grid.

The New Energy team invests in and constructs BESS via Gresham House Energy Storage Fund plc (GRID), the UK's largest fund investing in utility-scale battery energy storage systems.

In 2023, we increased our BESS operational capacity with the completion of Coupar Angus (40MW/40MWh), Grendon (50MW/100MWh), and West Didsbury (50MW/50MWh) projects. This takes total operational capacity as of 31 December 2023 to 690MW, an increase of 26% from the 550MW operational as of the previous year end.

We are increasingly focused on adding longer duration BESS assets to the portfolio, either by constructing new-build, 2-hour systems or by increasing duration of current assets. In 2023, operational megawatt-hours (MWh) increased 32% from 598MWh to 788MWh.

The addition of Grendon in the year marks the first 2-hour operational project in the portfolio and in 2024 three more 2-hour systems, Shilton Lane (40MW/80MWh), West Bradford (87MW/174MWh), and Elland (50MW/100MWh) are to be commissioned along with adding 330MWh of capacity to operational sites.

This increased average duration provides greater flexibility for the shifting of renewable power from times of excess supply to excess demand, thereby supporting the energy transition.

Wind and solar assets

We invest in efficient, long lasting new-build solar and wind projects with the lowest possible levilised cost of electricity (LCOE) to help drive the transition towards a fully renewable energy generation mix, supporting the UK's net-zero 2050 target.

In 2023, we made significant strides in our commitment to renewable energy. Construction began for five solar parks, with a collective capacity of 139MW, all scheduled to be operational during 2024. Simultaneously, progress was made towards the development of two onshore wind projects and the divestment of some smaller legacy assets. Looking ahead the division will look to progress the onshore wind assets and source additional solar capacity.

Our contribution to industry change

We engage with key industry bodies and government representatives to encourage policies and regulation that support accelerated decarbonisation of energy systems and the technologies that underly this transition.

We regularly engage with other relevant parties, including the Department for Energy Security and Net-zero (DESNZ) (formerly the Department for Business, Energy & Industrial Strategy (BEIS)), National Grid Electricity System Operator (ESO) and consultants, to support market changes.

In 2023, we joined Solar Energy UK's Responsible Sourcing Steering Group. This group aims to work with key stakeholders and unravel the complexity of the sector's supply chain, engaging with suppliers and business partners to implement a responsible sourcing programme.

The Group developed a new responsible sourcing statement designed to promote the highest possible levels of transparency and sustainability throughout the solar value chain. It also developed the Solar Stewardship Initiative, a solar-specific supply chain assurance scheme with a dedicated environmental, social and governance standard.

Case study: delivering a two-hour battery at Grendon

Grendon is a newly built 50MW/100MWh battery in Northamptonshire and is the first two-hour operational project for Gresham House Energy Storage Fund (GRID).

Two-hour batteries are able to support the grid during high or low renewable output over a longer period than shorter duration assets.

They are an important part of the energy transition, allowing more renewable power to be stored and then released over a longer timeframe.

By storing electricity produced by excess renewable generation, the site can deliver power to 100,000 homes for a continuous two-hour period.[27] Using this renewable energy rather than burning gas to produce electricity could save 13,140 tCO_2e per year.[28] This is the same amount of CO_2 generated as 4,530 return flights between London and Hong Kong.[29]

27. 1 MWh is enough energy to supply the average power requirement for 2,000 homes for an hour – OFGEM, ofgem.gov.uk
28. Assuming 2 cycles a day and emissions from natural gas are $0.18kgCO_2e/KWh$ – BEIS 2022 assets.publishing.service.gov.uk. 2 x 100MWh x $0.18kgCO_2e/KWh$ x 365 = $13,140,000kgCO_2e$.
29. An economy return flight to Hong Kong is 2.9 tCO_2e – BEIS 2021, sgr.org.uk

Case study: community engagement at Harborough

Developing and retaining strong relations with local communities is a key aspect of the New Energy team's sustainable investment commitments. It is also increasingly important in the approval process for new asset development.

In 2022, Gresham House acquired project rights to Harborough, a ground mount utility scale solar park currently under construction near Rugby, Warwickshire, and due to become operational in 2024.

- 100 acres
- 49,000 solar modules
- Capable of supplying enough electricity to power over 7,700 homes annually[30]
- Avoiding around 11,500t of CO_2[31]

30. Based on 27GWh of generation based on the site's technical studies and an annual average household consumption of 3509 kWh per annum (BEIS December 2022)
31. Based on 27GWh of generation based on the site's technical studies and Carbon intensity 424g CO_2 per kWh

Community benefit

During the planning phases of the project, developers engaged with various stakeholders including the local community through the parish council. The fund will make an upfront payment aimed at assisting the local community in achieving its objectives. This payment will be crucial for the construction of a new child's play park in the village as other sources of funding will become available to the community once a deposit has been made. Furthermore, the fund is dedicated to providing an annual recurring payment to support future projects within the local community.

Environmental benefit

Harborough will see over 2.1km of new native hedgerows planted to facilitate habitats for local wildlife. The grassland among the arrays will be seeded with an enhanced mix suitable for sheep grazing, which is mutually beneficial for the fund and the farmer.

A biodiversity field will be established with a wildflower meadow mix and a pond will be created in this field to provide habitats for a range of local wildlife. Across the site there will be several bat, bird and dormouse boxes as well as a hibernacula, a refuge for reptiles, amphibians and invertebrates.

Outside of the leased area the fund has committed to the creation of 20 Skylark plots, which will be created in the adjacent arable fields.

Supply chain management

The New Energy team remains cognisant of the operational, environmental and social risks that exist within their supply chains, and continues work to understand and manage associated risks. The focus to date has been on potential human rights related risks.

In 2022, we undertook an audit of our primary battery supplier, CATL, which verified that it had a framework in place to manage ESG risks, and that its policies were deemed to be satisfactory.

In 2023, we built on this to identify a provider who could evolve our approach to supply chain management in the following ways:

- Review, evaluate and update our supply chain policies across each of our New Energy asset types, ensuring they effectively address material risks and upcoming regulation
- Undertake additional ESG due diligence on our core suppliers in line with our updated policies and industry standards

We aim for the above work to be carried out in 2024.

Real Estate

We offer long-term equity investments into UK housing, through listed and unlisted investment vehicles, each focused on addressing different aspects of the UK's housing crisis.

Our investments aim to deliver stable and secure inflation-linked returns whilst providing social and environmental benefits to our residents, the local community and the wider economy.

In Ireland, we provide investments in commercial property – office, retail and industrial properties in the greater Dublin area and major regional urban centres.

The fund recognises the strong value of sustainability in improving and enhancing the value of its assets for clients, investors, tenants, and society.

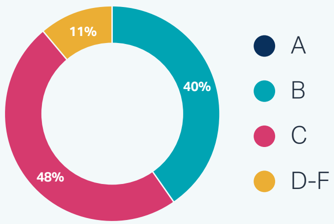
Real world outcomes	2022	2023
Scope 1&2 GHG emissions (tCO_2e)	22	14
Scope 3 GHG emissions (tCO_2e)	7,056	7,530
Carbon intensity (Scope 1,2&3 GHG emissions/m^2)	11.2	16.5
Operational UK housing stock EPC B+ (%)	40	41
Operational Irish commercial property stock BER B+ (%)	23	30
UK homes completed (all fund and ownership types)	253	126
UK homes committed to funding (all fund and ownership types, %)	634	97
Proportion affordable Shared Ownership homes (%)[32]	96	100
% new build SO homes that are EPC A	75	75

32. as defined by The Good Economy

2023 Gresham House operational UK housing stock (# units)

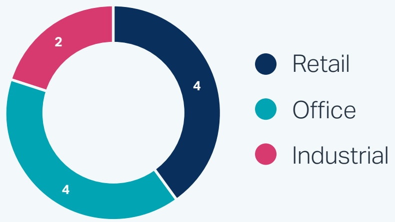
2022: 2,238 Retirement; 1,524 Shared Ownership; 289 Local Authority; 434 Build-to-Rent

2023 Distribution of UK housing EPCs



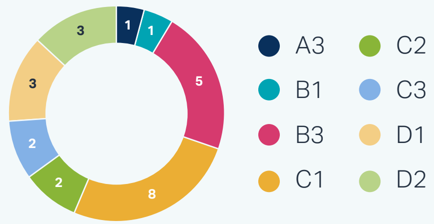
2022: 35% B; 46% C; 11% D; 1% E

2023 Gresham House Ireland commercial property portfolio (# properties)



2022: 3 Retail, 4 Office, 2 Industrial

2023 Distribution of Irish commercial property portfolio BERs (# units)



EPCs and BERs rate a property based upon its energy consumption and efficiency. EPC ratings are a measure of a property's energy efficiency, assigning a letter grade between A and G. BERs are a legal requirement in Ireland and provide information on a property's energy efficiency. BERs rate properties on a scale of A1-G.

Shared Ownership: a piece of the affordable housing puzzle

Within our UK Housing portfolio, we invest in sub-sectors of the UK residential housing market where demand is underpinned by an ageing demographic and untapped, strong demand for affordable home ownership.

ReSI PLC and ReSI LP invest in Shared Ownership housing, a part-buy part-rent affordable housing solution, where the customer owns an equity portion of their home and pays a below market rent on the remainder. Shared Ownership provides an affordable route to home ownership for middle- and lower-income households. In summary, the shared owner:

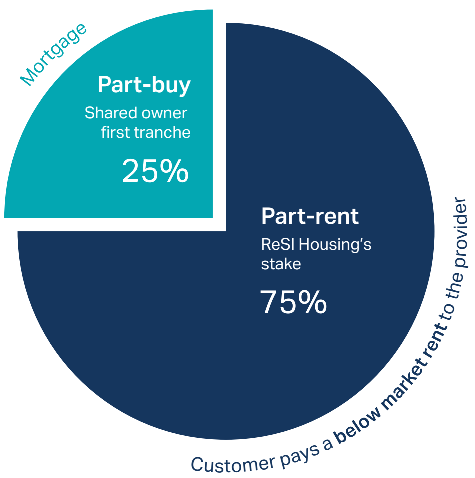
1 purchases an equity stake in their new home at open market value. This is known as the "first tranche sale" and is a minimum of 25% of the value of the property;

2 pays a subsidised rent c.30% below market rent on the remaining part of the home, which increases annually at CPI +1%;

3 has the option to incrementally purchase additional shares in their home at the prevailing open market value (known as "staircasing");

4 typically finances their initial stake with a 90% mortgage; and

5 is responsible for maintenance, repair and insurance, creating strong alignment of interest.



Emily takes security from the rent cap applied by ReSI during the year and being able to plan her finances accordingly. Whilst she has not been able to save as much money as she hoped, she feels it is more cost-effective than renting privately

Interview with residents as part of The Good Economy's 2023 ReSI PLC impact report. Names have been changed.

Case study: maintaining affordability levels during the cost-of-living crisis

Our team took several steps to ensure that Shared Ownership residents were protected from some of the spikes that someone renting or owning the average UK property on the open market may have experienced in 2023.

Rent increases

- Shared Ownership portfolio rent increases were capped at 7%, below their contractual level of 13.1%
- Retirement rent increases were capped at 6%, generating annualised savings for residents of £1 million compared to increasing rents in line with RPI
- With UK wage inflation for the period averaging 8.5%[33], the rent caps applied by ReSI have ensured that rent levels remain affordable to the average resident

33. Annual growth in employees' average total pay (including bonuses) – ONS, September 2023

Mortgage rates

As shared owners only own a portion of their home, the impact of increased mortgage costs was significantly reduced compared to someone who owns outright.

Energy bills

The energy efficiency of ReSI's properties is estimated on average to be saving shared ownership and retirement residents £661 and £248 per year respectively compared to the cost of energy at an average UK property.[34]

The table below shows that a typical shared ownership resident who is refinancing their mortgage at today's rates could expect to see a lower increase in their housing costs compared with a typical housing owner.

		2022 £	2023 £	Increase £	%
Typical ReSI Shared Ownership Resident refinancing their mortgage at today's rates[35]	Rent and service charge	7,688	8,226	538	7%
	Mortgage costs	3,579	4,644	1,065	30%
	Energy bills[36]	1,261	1,173	-88	-7%
	Total	12,528	14,043	1,515	12%
Typical ReSI Shared Ownership Resident with fixed rate mortgage	Rent and service charge	7,688	8,226	538	7%
	Mortgage costs	3,579	3,579	-0	0%
	Energy bills	1,261	1,173	-88	-7%
	Total	12,528	12,978	450	4%
Typical UK owner refinancing at today's rates [37]	Mortgage costs	14,315	18,577	4,263	30%
	Energy bills	1,971	1,834	-137	-7%
	Total	16,286	20,411	4,126	25%
Typical UK rental accommodation [38]	Housing costs	14,700	16,244	1,544	11%[39]
	Energy bills	1,971	1,834	-137	-7%
	Total	16,671	18,078	1,407	8%

34. The Good Economy calculation based on savings for EPC B and EPC C properties vs EPC D of £460 and £171 respectively with the UK energy price cap at March 2021 level. Saving scaled up for October 2023 price cap
35. Shared ownership assumptions: OMV £300k; First Tranche Sale: 25%; Deposit: 10%; Mortgage term: 30 years; initial interest 3.3%; refinanced interest 5.5%; Rent level 2.75% rent increase 7%; Service charge: £1,500 p.a; EPC B
36. 2022 energy bills as of April 2022 price cap. 2023 energy bills as of October 2023 price cap
37. Outright owner assumptions; OMV: £300k; Mortgage LTV 90%; initial interest 3.3%; refinanced interest 5.5%; EPC D
38. Rental Assumptions - OMV: £300k; Rental Yield: 4.9%; EPC D
39. Rental Market Report, Zoopla – September 2023

Case study: innovative financing solutions to support the delivery of shared ownership housing in the UK

ReSI LP aims to deliver quantifiable social and environmental impact by providing middle to low income earners with an affordable route onto the housing ladder through shared ownership.

In December 2023, ReSI LP secured its first sustainability-linked loan with MUFG. The £30 million credit facility includes sustainability KPIs relating to the continued reduction of carbon emissions and the delivery of increasingly energy efficient homes. These include:

1. Reducing the carbon intensity of the portfolio (kg CO_2e/m^2)in line with the requirements under the Science Based Targets initiative (SBTi)
2. Increasing the percentage of forward funded shared ownership homes that have an Energy Performance Certificate (EPC) of A
3. Increasing the percentage of forward funded developments where embodied carbon emissions can be reported

These KPIs align with the Fund's impact objectives, helping to create aligned incentives to achieve its sustainability targets.

Case study: retrofitting Fenward House

The challenge. In 2023, our Irish Commercial Property Fund sought to transform Fenward House, a vacant office building built in 2005 with a Building Energy Rating (BER) of E1, into a modern, energy efficient asset that could also command higher rents and a higher valuation.

The solution: A number of upgrades were made to improve the overall sustainability of the building. These included:

1. Upgrading the air conditioning and lighting systems with more energy efficient alternatives
2. Installing 22MWh solar panels on to the roof to cover the energy consumption of the building's common areas
3. Creating new welfare facilities for tenants, including showers, locker rooms and secure bike parking

The result: As a result of the renovation, the energy efficiency of the building was vastly improved with its BER increasing from E1 to A3. The value of the property was increased as a result of the improved energy rating, and new tenants have been attracted to the property, paying higher rents than could be commanded previously.

Case study: improving the energy efficiency of ReSI plc's retirement properties through "Project D"

ReSI plc is committed to upgrading the energy efficiency of its portfolio, as outlined in its Environmental Charter.

A core pillar of this is "Project D" which aims to upgrade 100% of its non-exempt directly rented properties to a minimum of EPC C by 2025.

Directly Rented Units

- During the year, a further 33 directly rented properties were upgraded from a D to a C, bringing 146 (78%) of the properties that were D rated at the beginning of Project D now having been upgraded to a C
- The remaining non-exempt directly rented D rated properties are expected to be upgraded to a C by 2025

Housing Manager Flats (HMFs)

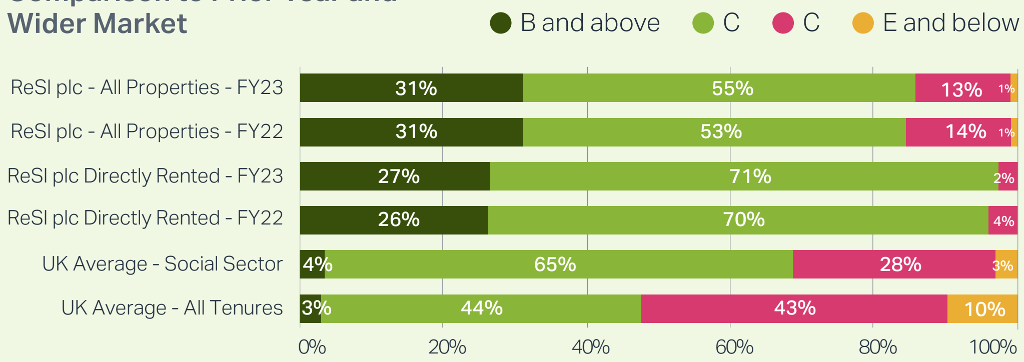
- The HMFs are on license to a third party who is responsible for the maintenance of the properties, however ReSI has worked with the counterparty to improve the efficiency of the portfolio
- The percentage of HMFs with an EPC rating of D or below dropped from 25% in FY 2022 to 19% in FY 2023

Real-world outcomes

As a result of the continued focus on energy efficiency improvements, the proportion of ReSI plc's directly rented properties that are EPC B or C increased by 2 percentage points in 2023 to 98%.

This compares with an average of 47% for all tenures, and 69% for the social sector in England.

Comparison to Prior Year and Wider Market



Strategic Equity

We target superior long-term returns in a range of public and private equity investments by applying an active private equity approach, engaging with companies and applying rigorous due diligence, developing a deep understanding of each investment.

How we integrate ESG

Our Strategic Equity investments primarily sit within the Responsible category of our Spectrum of Capital with ESG integrated into the investment process for all our investments and engagement being a key mechanism with which to enact our active ownership commitments.

ESG integration into the investment process for our Strategic Equity division

1. Initial Appraisal

ESG risks and opportunities are considered. This may lead to further investigation at due diligence stage. If certain risks are unlikely to be managed or mitigated, we may not proceed.

2. Due Diligence

The ESG Decision Tool and meetings with management or specialised consultants ensure an assessment of material ESG risk or opportunities that should be managed or that could drive value.

3. Investment Appraisal

A summary of ESG findings are included in Investment Committee papers. Appropriate plans will be included for any material ESG risks identified or to capitalise on ESG factors.

4. Holding period

We engage regularly with boards and management teams, focusing on strategic, financial and operational matters including ESG factors, to address long-term risks and opportunities.

We apply our voting rights for Public Equity investments.

Private Equity

Our Private Equity strategy offers investors access to entrepreneurial high growth, earlier stage and lower mid-market private companies.

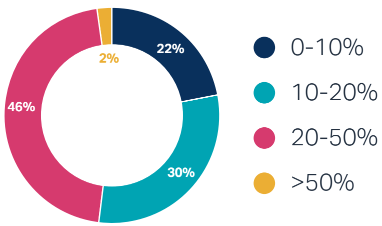
We specialise in scaling software and digitally driven businesses in the consumer, healthcare & education and B2B sectors.

We look to partner with ambitious and entrepreneurial management teams with:

- an innovative and differentiated product or service;
- fast growing businesses with positive, sustainable unit economics;
- product market fit and typically £1mn to £20mn in revenue;
- £2mn to £20mn in funding requirements.

Whilst we typically take a minority equity stake in our portfolio companies, we seek to actively engage to help founders deliver their growth ambitions.

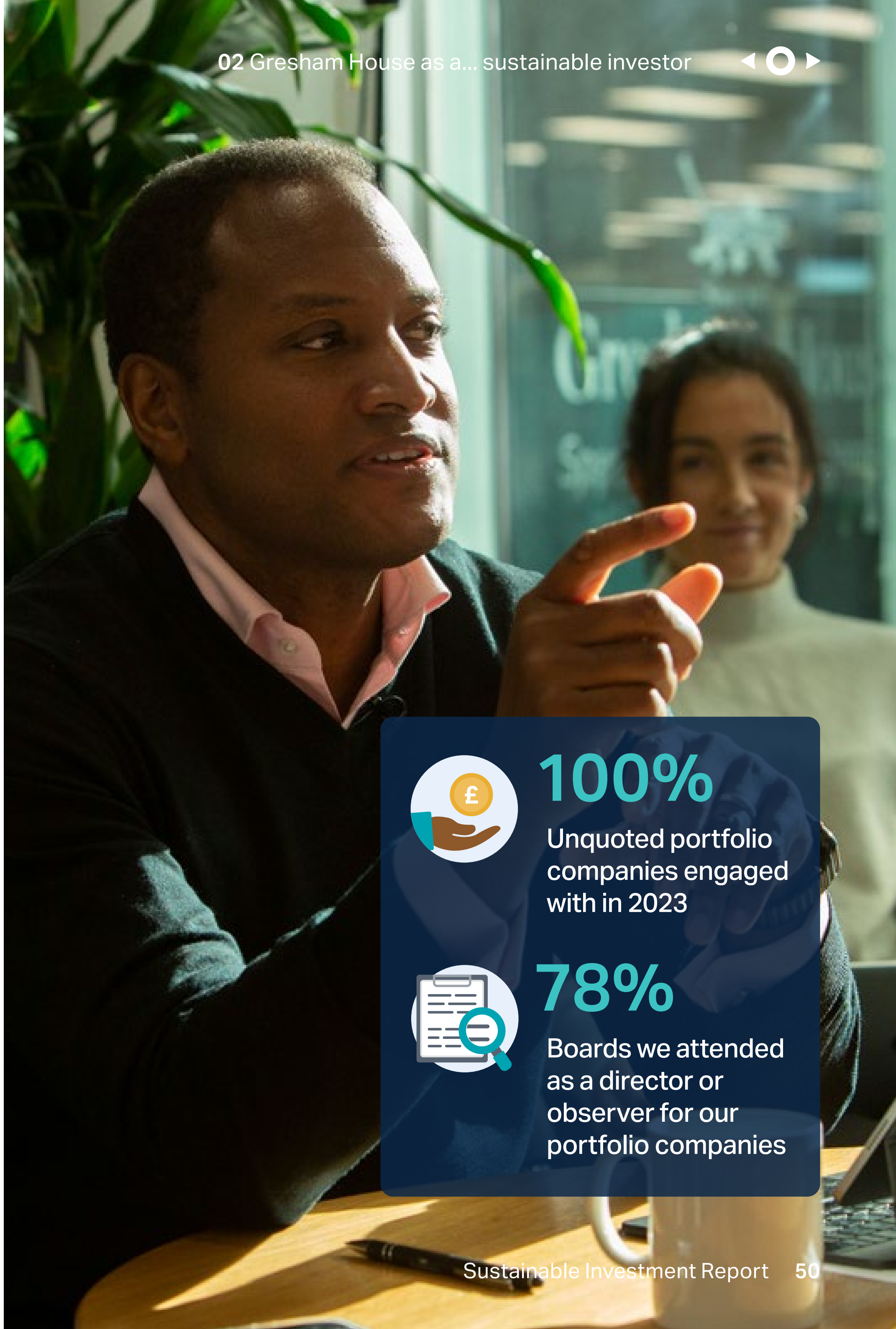
2023 portfolio companies by Gresham House equity stake



Our investment approach

Governance has historically been the most important ESG factor in our investment processes. Board composition, governance, control, company culture, alignment of interests, shareholder ownership structure, and remuneration policies are important elements that will feed into fund managers' analysis and the company valuation.

Environmental and social factors are assessed as risk factors during due diligence to mitigate companies that face risks that cannot be mitigated through engagement and governance changes. Our investment strategy focuses on companies operating in parts of the economy that benefit from long-term structural growth trends and in sectors where we possess deep expertise and networks.



100%

Unquoted portfolio companies engaged with in 2023

78%

Boards we attended as a director or observer for our portfolio companies

Annual ESG survey of our unquoted investments

In 2023, we undertook our third annual ESG survey to understand how the unquoted investments held within our VCT portfolios are responding to relevant ESG risks and opportunities and how these are considered as part of their operations.

While the survey used a scoring system, a company's score does not pass judgment on the response. It is an indication of the proportion of suggested initiatives and policies that the business has adopted or is intending to adopt over the next 12 months.

2023 results

We had a 75% response rate of the 60 companies that we surveyed. Overall, companies scored an average of 52% in 2023 (vs. 48% in 2022). On a like-for-like basis (i.e. excluding new investments and investments exited in 2023), companies scored an average of 57% in 2023, 7 percentage points (pp) higher than 2022.

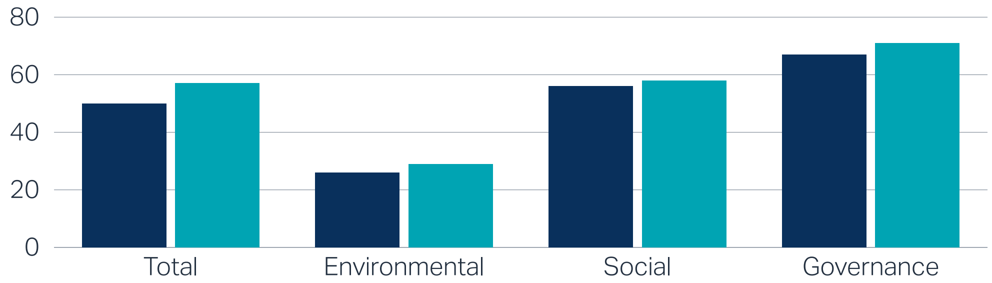
Environmental: key themes

Companies are taking increased action on driving efficiencies across their business. The proportion of companies that have implemented initiatives to reduce their energy and carbon consumption increased by 6pp in 2023 on a like-for-like basis.

Interestingly, companies that have calculated their carbon footprint or set a formal net-zero strategy remained broadly flat year-on-year. This suggests that while companies are focused on reducing their energy consumption (thereby reducing operating expenses), they are yet to formalise these behaviours.

We note that in 2024, 27% and 16% of companies plan to measure their carbon footprint and set a net-zero target respectively.

2023 survey: like-for-like results (%)

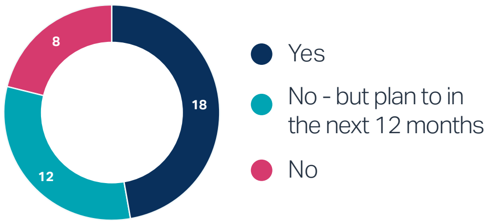


Social: key themes

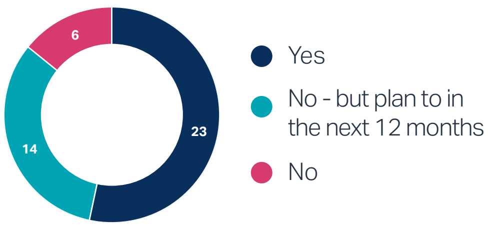
Portfolio companies have focused on introducing and improving core diversity, equity and inclusion (DEI) initiatives in 2023. Overall, total workforce gender diversity improved by 4pp year-on-year on a like-for-like basis, with senior management gender diversity improving by 3pp to 26% female.

Scores for staff wellbeing and improving and encouraging DEI improved by 4pp year-on-year on a like-for-like basis. Notably, the proportion of portfolio companies offering annual DEI training to all staff increased by 7pp, with 86% of companies either offering training or planning to do so over the next 12 months.

Do you provide DEI training for your staff? (2022)



Do you provide DEI training for your staff? (2023)

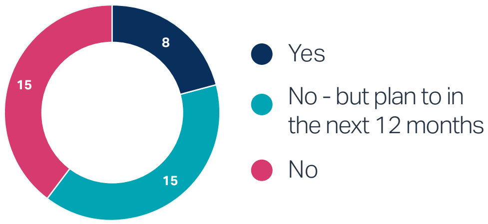


Governance: key themes

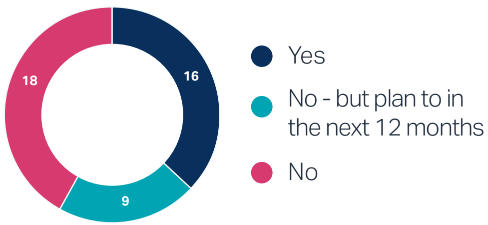
Governance scores increased across the board in 2023 vs. 2022 on a like-for-like basis. The biggest increase was within fair and equal pay, where scores increased by 9pp on average. Within this, the proportion of portfolio companies that have introduced initiatives to reduce their gender pay gap increased by 16pp to 37% of companies.

Corporate policy scores increased too, with 34% of companies with an ESG policy in place, an increase of 6pp on 2022.

Do you have intiatives to reduce your gender pay gap? (2022)



Do you have intiatives to reduce your gender pay gap? (2023)



Next steps

The survey helps us to develop an understanding of how portfolio companies think about ESG, what ESG data is already being reported on and monitored, and how companies are progressing on their sustainability journeys. The results of the survey will form the basis of meaningful ESG engagements with our unquoted portfolio companies that we will have over the next 12 months.

ESG webinar series

Throughout 2023, we held a series of educational webinars for the Chairs, CEOs and executives of unquoted and quoted investee businesses to enhance their knowledge of material ESG issues.

The webinars provided a toolkit for investee businesses to better integrate ESG and sustainability into their businesses, and covered:

- Education and materiality - understanding ESG, its importance and how to identify material ESG issues
- Governance - how to optimise governance structures to identify and manage ESG risks and opportunities
- Strategy - how to set a sustainability strategy and develop an ESG policy
- Risk management - how to incorporate ESG into risk management processes
- Metrics and targets - how to set measurable ESG KPIs and targets

The full series is available to view here: ESG webinar series - Gresham House Ventures.

Case study: Active ownership at open finance enabler Ozone API

Enabling open finance

In December 2023, Gresham House Ventures invested into Ozone API, a software company supporting the delivery of open finance for banks and financial institutions globally.[40]

Open finance is a financial ecosystem that enables customers to securely share their financial data between trusted third parties, enabling customers to have greater control of their financial information, access innovative and personalised financial products, while reducing fraud risk.

40. How open finance is laying the foundations to tackle financial inclusion - Ozone, ozoneapi.com

Banks and financial institutions have spent considerable resources building tools which enable them to comply with Open Finance regulation, however many are seeking software which enables them to utilise the commercial benefits of open finance.

Ozone API solves this challenge by delivering a simple, low-cost software solution for banks and financial institutions, enabling them to deliver compliant APIs with additional capability (via premium APIs) to enable them to monetise open finance opportunities.

Board changes

Post-investment, a Gresham House investment director joined the board, while the associate director who led the deal joined as a board observer.

We also helped appoint an independent chairperson through our talent network who has extensive experience in the sector through her previous roles as the CEO of Virgin Money and founder of fintech company Snoop.

Senior management

Post investment, we assisted in appointing several new strategic hires to support the senior management team deliver the growth plan. These hires include a new Head of HR and a Head of North America.

Other actions

To help Ozone API in its ambition to scale its business, we also took the following actions:

1. We shared our Best Practice Board Pack for early-stage software as a service (SaaS) business to support their governance processes
2. We developed a detailed 100-day plan which summarised the key due diligence findings to ensure that areas of improvement identified during DD were actioned post investment

Public Equity

Our Public Equity approach is led by our UK and Irish Public Equity teams.

Our UK team are active stock pickers and adopt a private equity approach to quoted equities by taking a long-term view on small and micro-cap companies. In Ireland, we are active, long-term investors driven by a fundamental understanding of the quality and valuation of a particular investment.

Our Public Equity teams integrate ESG factors in their investment processes in line with our Group commitments. This includes assessing material ESG risks and opportunities at the pre-investment stage and meeting with company representatives to enhance our understanding of ESG risks and opportunities and to drive positive change, where relevant. We apply our voting rights for all holdings.

Engagement

Our Public Equity investment philosophy encompasses active engagement with our portfolio companies on value creation and ESG topics, and a rigorous approach to pre-investment due diligence which leverages an extensive network of industry specialists.

We believe that engagement can enhance our understanding of the risks and opportunities facing each investment. Engagement also helps our teams develop relationships with investee businesses and creates a platform with which to identify value creation opportunities and drive change to enhance a company's resilience, strategy or approach.

	UK		Ireland	
Active ownership	2022	2023	2022	2023
% management met with	93%	100%	57%	45%
Votes for management	93%	89%	93%	91%
Votes against management	5%	5%	5%	9%

Case study: Evolving our engagement approach

In 2023, the UK Public Equity team reviewed and updated its approach to ESG engagement with portfolio companies.

Since the inception of our funds, the team has proactively engaged with management teams and boards on governance issues deemed material to investment outcomes. Examples include discussions around management and board composition, or consultations on long-term incentive plans designed to align key businesspeople with shareholder value creation. While engagement in such areas will continue to support investment performance, our review highlighted the need to broaden our ESG monitoring and engagement process to cover a wider variety of issues.

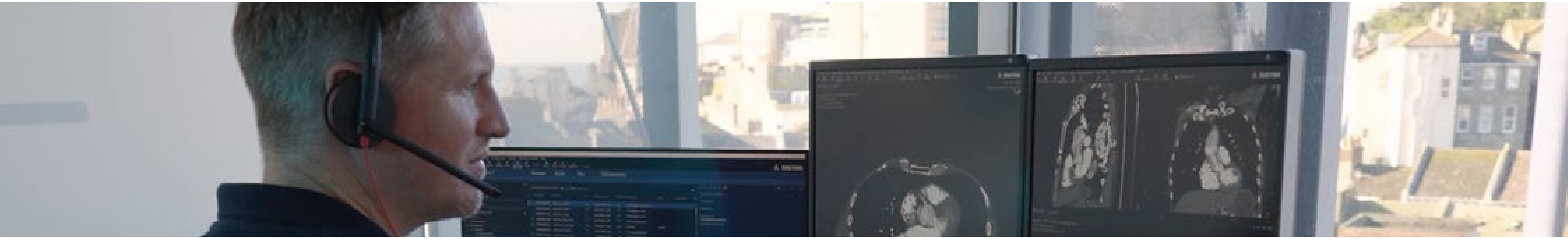
We sought to introduce an automated and repeatable process which would enable us to proactively monitor and engage with portfolio companies based on objective third-party data, spanning almost twenty ESG issues.

Each of these affect multiple stakeholders and are increasingly intertwined with financial outcomes. Newer focus areas for increased monitoring include: 'live' carbon reporting and intensity; progress on net-zero policy; various diversity and inclusion metrics; alignment of business practices with recommended UNGC or OECD principles; and threat to investment value posed by negative news flow.

We process new data on a monthly basis using a proprietary scoring model, ranking our portfolio companies on their aggregate ESG 'quality' and 'transparency'. We then generate red flags for certain companies and disaggregate drivers of 'lower quality' or 'lower transparency' to highlight possible areas of engagement.

In 2024, we are taking steps to further enhance the new monitoring and engagement process, introducing a wider variety of ESG metrics and sector benchmarking. We think these iterations will better contextualise the metric data on our portfolio companies and will broaden our comparative frame of reference to capture our entire investible universe.

Case study: engagement on strategy, incentives and value realisation at Medica



Our UK Public Equity team engaged with Medica Group, a global provider of teleradiology services, by holding direct meetings with the management team, in conjunction with input from our healthcare and M&A networks.

The aim of these engagements was to:

- Support the company's inorganic growth ambitions;
- Solidify its positioning on AI/ digital strategy; and
- Maximise alignment between management and shareholders and close the material valuation gap relative to comparable M&A transactions.

Additional actions

In March 2021, we provided c.£2mn of follow-on funding to support Medica's acquisition of RadMD, giving the company a foothold in the clinical trials market and further diversifying the company's geographic exposure.

Over the following two years we increased our shareholding from c.12% (at the time of the fundraise) to c.20%, becoming the company's largest shareholder, which allowed us to engage further on several initiatives.

With regards to its AI and digitalisation strategy we engaged with the company to gain comfort on potential disruption to traditional teleradiology solutions, using our healthcare network to support conviction that Medica was well positioned to benefit (not least through its partnership with Qure.AI).

We also engaged at length with the Chairs of both the Board and the Remuneration Committee to ensure that the management team were sufficiently incentivised to drive outperformance, whilst ensuring alignment with the shareholder base.

Finally, through our M&A network we were aware that the company traded at a substantial discount to the valuation multiples paid in recent, directly comparable transactions, and that there had been little evidence of this discount closing despite Medica's strong trading performance. We therefore encouraged the company to seek independent financial advice to challenge or corroborate this assertion, and to help form a view on the relative merits of remaining as an independent listed company rather than undergoing a recommended takeover.

Outcome

Following the above engagement, in July 2023 the company was acquired pursuant to a recommended cash offer by IK Partners, a European private equity firm, at a valuation multiple that we viewed as attractive relative to M&A transaction benchmarks and to Medica's independent prospects. To help de-risk the transaction we provided a soft irrevocable undertaking to vote for the offer, which could fall away if a competing offer were tabled. This provided us with an attractive all-cash realisation event for a significant holding in the trust.

Case study: decarbonising operations at C&C Group

Over the past three years our Irish Public Equity team has engaged with global brewer C&C Group on its decarbonisation and energy efficiency objectives.

The aim of these engagements has been to:

- Press C&C to scale up its emissions reductions targets and initiatives; and
- Improve its Scope 3 emissions disclosure

Engagement outcomes

- In April 2021, C&C reached its target of 100% electrification through renewable sources across its main sites in Ireland and the UK. This was achieved significantly ahead of time
- In 2023, its greenhouse gas reduction targets were formally validated by the Science Based Targets initiative (SBTi)
- It achieved its FY2023 target of reducing Scope 1 and 2 emissions by 6%, in line with its LTIP decarbonisation targets
- To address its Scope 3 emissions impact, C&C signed up to participate in the CDP Supply Chain Screening Programme. As part of this programme, the company agreed to work with over 130 of its suppliers and partners to request that they disclose climate and emissions related information to track progress of sustainability commitments. As part of their SBTi validation, the company has also committed to collaborating with suppliers and partners making up 67% of their Scope 3 emissions to have science-based targets in place by 2026. In 2023, CDP awarded C&C Group an A- rating for Supplier Engagement, acknowledging its performance on governance, targets, Scope 3 emissions, and value chain engagement in the CDP climate change questionnaire

A prime example of the type of project that C&C has undertaken in its commitment to sustainability is its Sustainability Project at its Clonmel, Co. Tipperary site. The project includes the installation of the largest rooftop solar panel farm in Ireland, which will reduce the Clonmel site's carbon emissions by 4%, saving c.290 tonnes of CO_2 per year and almost 10,000 tonnes over the next 20 years. The solar panels also provide up to 10% of the electricity used on the site.

03

Gresham House as a sustainable... Employer and Business

Our priorities

We recognise that we need to lead by example and align our actions with our corporate purpose if we are to achieve our sustainability ambitions.

Being a sustainable business and employer is about driving shareholder value by acting in an authentic manner and by having a positive influence on our people, our environment, and our society.

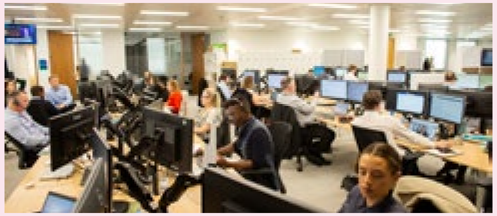
As part of our Corporate Sustainability Strategy, we have identified five priority topics that guide our actions and progress for how we operate sustainably as a business and employer.

We provide examples of the progress made against each priority topic on this page. More detail on progress against the Climate Change, Employment and Diversity topics can be found later in this section of the report.

2023 highlights

Climate change & pollution

- Reduced our Scope 2 operational emissions by 25%
- Switched our three largest office locations (London, Oxford and Dublin) on to authentic renewable electricity providers
- Introduced a travel policy with the objective of reducing our work-related travel emissions
- Developed an internal data collation system to improve data accuracy of our carbon footprint



Employment, health, safety & wellbeing

- Introduced an annual company funded health assessment to enable employees to take a proactive approach to their health
- Delivered resilience training to all employees through an external provider
- Trained additional mental health first aiders to increase employee support and prompt greater office communication around the importance of mental health

Diversity, Equity & Inclusion (DEI)

- Introduced specific guidelines for recruiters to source roles from a broader range of talent channels
- Enhanced our Human Resources systems to improve the quality of DEI data collection
- Celebrated Pride and Black History with a spotlight series for employees from these communities to present to the broader group

Commitment to sustainability

- Established an internal Sustainability Working Group to enhance Gresham House's operational sustainability
- Delivered four group-wide ESG Lunch & Learn sessions to improve the education of ESG and sustainability matters across the business
- Implemented single use item reduction plan

Case study: Gresham House's Sustainability Working Group

As part of our role as a sustainable business and employer, in 2023 we set up a Sustainability Working Group to enhance our operational sustainability in each of our office locations.

The group is made up of 12 volunteers across Gresham House, all of whom are passionate about improving the sustainability of their immediate surroundings. The group meets every quarter and its actions and objectives are geared around three core pillars: Climate Change and Pollution; Wellbeing and Growth; and Commitment to Sustainability.

Pillar	Climate Change and Pollution	Wellbeing and Growth	Commitment to Sustainability
Priority	Reduce operational greenhouse gas emissions	Improve the wellbeing and development of staff	Support the shift to a culture of sustainability
Key action	Reduce operational emissions in each office location	Ensure benefits are available to all employees	Reduce waste and improve circularity
Example 2023 outcomes	Engaged with building managers to switch our three largest office locations onto authentic renewable electricity providers Implemented IT energy efficiency measures across office locations	Engaged with building managers to install EV charging at office locations	Implemented a single use item reduction strategy to reduce waste Introduced eco cleaning products in our offices

Powering our offices with renewable electricity

One of the most material changes the Sustainability Working Group affected in 2023 was to engage with the building managers in our three largest office locations to switch the electricity suppliers to authentic renewable suppliers. In the new Witney office in Oxford, the office is now supplied by Ecotricity, which has been recognised by Ofgem to provide genuine additionality.

In London, 80 Cheapside has switched to a renewables-backed power purchase agreement (PPA) provider which in part sources its energy from some of Gresham House's battery storage sites.

As a result, Gresham House's operational Scope 2 emissions fell by 25% in 2023.

Our carbon footprint

Having undertaken an exercise to understand the carbon emissions of our operations and our investments in 2021 and 2022, this year we worked with expert carbon consultants to improve the data quality used in emission calculations to more accurately measure our emissions in 2023, as well as re-baselining 2022 emissions using the new methodology.

In this section we disclose the scope 1, scope 2 and scope 3 greenhouse gas (GHG) emissions covering both our operations and our investments, and additional metrics to contextualise these figures.

Group consolidated emissions

The table below summarises our Group consolidated emissions. This is Gresham House's total carbon footprint including both Corporate and Investment (Category 15) emissions.

Group consolidated emissions	2022	2023
Total scope 1 GHG emissions (tCO_2e)	86	108
Corporate operations - fuel use	86	108
Total Scope 2 (tCO_2e)	38	29
Corporate operations - electricity (location based)	38	29
Total Scope 3 (tCO_2e)	1,109,722	1,056,946
Corporate operations	238	439
Investment activities - scope 1,2 & 3	1,109,484	1,056,507

Greenhouse gas (GHG) emissions

Scope 1: direct emissions from owned or controlled sources

Scope 2: indirect emissions from the consumption of purchased electricity, steam and cooling

Scope 3: all other indirect emissions that occur within the value chain.

For the financial sector, Scope 3 includes investment-related emissions which sit under Category 15: Investments, as defined by the GHG Protocol.

Carbon footprint of our corporate operations

Over the past 12 months we have worked to significantly improve the scope of data used to calculate our operational emissions, including:

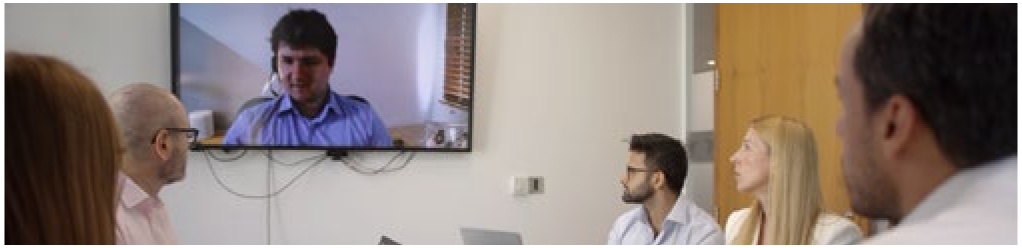
- Undertaking an employee commuting survey to better estimate our carbon footprint associated with employee commuting
- Evolving our expenses system to gather more accurate travel-related data
- Inclusion of homeworking in our operational emissions

All operational emissions were prepared by Carbon Responsible using the GHG Corporate Reporting and Accounting Standards, using UK Government Reporting and Conversion methodology and conversion factors on the Gresham House data.

Despite improvements to the scope and quality of data, 60.9% of operational emissions reported were estimated to some extent; this was largely due to employee commuting emissions which make up 52.2% of our operational emissions and are calculated fully via the use of estimations.

Corporate operational emissions source	FY 2022	FY 2023
Total carbon emissions (scope 1, 2 & 3) (tCO_2e)	362.3	575.7
Scope 1 emissions (tCO_2e)	*86.2*	*108.2*
Scope 2 emissions (tCO_2e)	*38.2*	*28.8*
Scope 3 emissions (tCO_2e)	*237.9*	*438.8*
Emissions intensity (tCO_2e/£mn revenue)	4.5	6.4
Carbon intensity (tCO_2e/full time employee)	1.5	2.6
Return on carbon (£m revenue/tCO_2e)	0.22	0.16

Corporate operational energy usage	FY 2022	FY 2023
Total energy use (scope 1, 2 & 3) (kWh)	642,463	679,531
Scope 1 emissions (kWh)	*360,968*	*411,010*
Scope 2 emissions (kWh)	*189,074*	*182,548*
Scope 3 emissions (kWh)	*92,421*	*85,973*



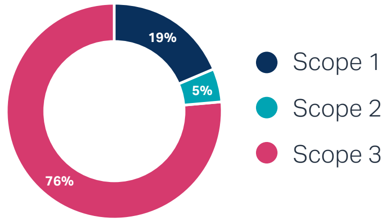
Overall, operational emissions increased by 59% compared to the FY22 baseline. The primary factor driving this increase in overall emissions was the expansion of reporting to include homeworking impact and refrigerant top-ups.

The inclusion of homeworking emissions accounts for 30% of the total emissions, refrigerants account for c. 1% of the total emissions. An increase in operational activity is also responsible for the remaining increase in overall emissions across all scopes. For instance, a marked increase in Scope 1 emissions by 26% was primarily driven by an increase in mobile combustion.

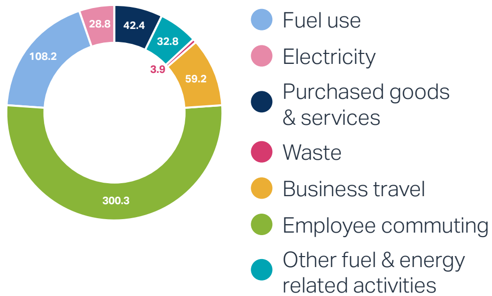
The increase in Scope 3 emissions was mostly driven by the inclusion of homeworking, however, both employee commuting and business travel contributed to this increase in emissions.

The 25% reduction in Scope 2 emissions this year was a result of our three largest offices switching to authentic renewable electricity suppliers.

Operational Emissions by Scope



Operational Emissions by Source



Improving the quality and scope of operational emissions data was the priority for 2023. As well as calculating the carbon footprint for 2023 with high quality data, we also recalculated the footprint for 2022 in order to create a suitable and appropriate baseline for future emissions reductions work.

Carbon footprint of our investments

Metric	FY 2022	FY 2023
Scope 1 & 2 emissions (tCO_2e)	141,040	135,086
Scope 3 emissions (tCO_2e)	968,444	921,421
Emissions intensity (tCO_2e/£mn invested) scope 1 & 2	21.1	21.7
Emissions intensity (tCO_2e/£mn invested) scope 1, 2 & 3	165.7	170.0
Weighted Average Carbon Intensity (WACI) (tCO_2e/£mn revenue)[41]	2,250.9	5,039.1
Return on carbon (£mn revenue/tCO_2e)	0.011	0.009
Data quality score[42]	2.98	2.90

Investment emissions cover all asset divisions managed by Gresham House including Forestry, New Energy, Sustainable Infrastructure, Housing, Public Equity and Private Equity.

Scope 1 & 2 investment emissions decreased by 4% in 2023 compared with 2022.

41. In 2022, WACI did not include Real Estate or New Energy which accounts for a large portion of this increase

42. 1-In line with PCAF data quality scoring, 1 is most accurate and 5 is least accurate. The data quality score is for Scope 1&2 investment emissions]

Within this, there were reductions within our Public Equity and New Energy divisions, while the most notable increase was driven by our Sustainable Infrastructure division which had several assets become operational in 2023.

Our scope 3 emissions decreased by 5% in 2023. Although there were increases in Scope 3 emissions for Sustainable Infrastructure, these were countered by decreases across Private Equity and Public Equity Ireland.Sector average revenue intensities were used to calculate 100% of Private Equity's emissions which may explain this decrease, as average emissions should be decreasing due to national net-zero action such as the decarbonisation of the national grid.

The Weighted Average Carbon Intensity (WACI) metric, which is sensitive to outliers, increased between 2022 and 2023. In 2022, WACI did not include Real Estate or New Energy which accounts for a large portion of this increase. As well as this, Sustainable Infrastructure's WACI increased by 224% due to a number of investments becoming operational in 2023.

The methods used for calculations are aligned with the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting & Reporting Standard for the Financial Industry.[43]

Some of the scope 3 emissions estimates of our investments are uncertain and, in most cases, not complete, meaning they only cover selected categories. Gresham House operates primarily in the private markets, where data quality and availability are typically poor. As a result, the collection and quality of scope 3 emissions is a key area in which we will look to improve our carbon-related data over the coming years.

43. Partnership for Carbon Accounting Financials, The Global GHG Accounting and Reporting Standard for the Financial Industry. First edition (November 2020)

Forestry biogenic emissions and removals

In 2023 our forests sequestered more carbon than the carbon footprint of our investments. However, the emissions and removals cannot be claimed as offsets by Gresham House or our clients as these removals are already factored into government carbon accounts.

Forestry emissions	FY 2022	FY 2023
Total annual sequestration (tCO_2)[44]	-1,870,000	-1,874,000

In 2023 we updated our sequestration methodology to align with the most current and widely accepted techniques and guidelines from the Intergovernmental Panel on Climate Change (IPCC).

44. Total annual sequestration reflects the annual increase in carbon stock within standing forest inventory (biogenic growth). A negative figure reflects sequestration (removal) of carbon.

Climate Change

Climate Change is a priority topic of our Corporate Sustainability Strategy and we have an objective to set a net-zero target covering our operations and investments in 2024.

Our carbon emissions reduction targets are in development with a specialist consultant following the completion of our carbon footprinting and re-baselining project.

In 2023, we focused on:

- Improving the scope and quality of investment emissions to create a credible baseline
- Taking steps to reduce our operational emissions including switching our offices onto renewable electricity providers and implementing IT energy efficiency measures
- Investigating and fully understanding the implications of setting Science Based Targets in line with the Science Based Target Initiative (SBTi) guidance and the Net Zero Asset Managers initiative

Carbon footprint of investments

Over the past 12 months we have worked closely with our investment divisions across the business to gather more accurate carbon data and to extend the scope of coverage. Going forward, we aim to continue to measure our emissions to a high data quality monitor progress towards our net-zero target.

Climate targets

We identified appropriate targets for each asset division in line with SBTi guidance following consultant advice and sought legal advice on the implications of setting decarbonisation targets for investment mandates. In 2024 we intend to publish our inaugural net-zero strategy which will contain decarbonisation targets at the Group level and divisional level.

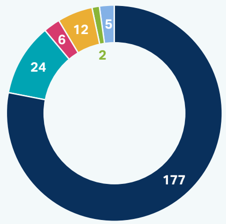
Our people

Our colleagues are our greatest asset, and their health, safety and wellbeing is integral to all that Gresham House achieves.

We recognise that our people are the foundation of our success and we aim to create a culture in which they can thrive.

Key stats as at 31 December 2023

All employees (self-certified)

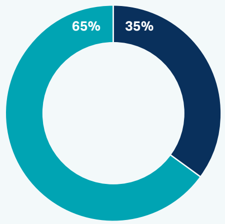


White
Asian
Black
Multi-ethnic
Other
No data

2022: 160 White, 17 Asian, 6 Black, 11 Multi-ethnic, 2 Other, 27 No data

White = White – English, Welsh, Scottish, Northern Irish, Irish, Other White Background. Asian = Asian/ Asian British – Bangladeshi, Asian/ Asian British – Indian, Asian/Asian British – Pakistani, Other Asian Background. Black = African, Black British, Caribbean, Other/Black/African/ Caribbean Background. Multi-ethnic = Mixed/ Multiple – White and Asian, Other Mixed/Multiple Ethnic Background No data = prefer not to say

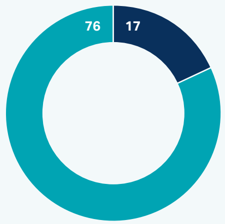
Senior management (m/f)



Female
Male

2022: 33% female, 67% male

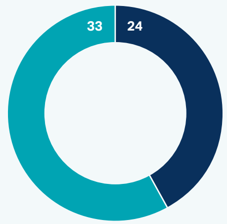
Investment professionals (m/f)



Female
Male

2022: 11 female, 78 male

New hires made in 2023 (m/f)



Female
Male

2022: 25 female, 32 male

226

Total employees (93% full time)

Diversity, Equity and Inclusion

Diversity, Equity and Inclusion (DEI) is a core pilar of our Corporate Sustainability Strategy. We are committed to building a diverse and inclusive workplace to attract and retain individuals that are aligned with our business ambitions.

In 2023, we continued to make progress against our DEI strategy and embed its principles into our culture.

Specific guidelines for recruiters have been introduced as part of the implementation of our DEI Policy. These involve sourcing roles from a broad range of talent channels through DEI dedicated organisations and promoting the Gresham House brand and our inclusive culture to candidates.

Pride and Black History months were celebrated with a spotlight series from employees from these communities to share their experiences and advice with their peers and guest speakers were invited to provide further insight and information.

In 2024, a review of the DEI committee ways of working will take place and the creation of sub working groups will be explored to provide focus and accelerate progress in the following areas:

- Diversity & Inclusion Working Group
- Charity Working Group
- Wellbeing Working Group
- Sports & Social Working Group

Other achievements in 2023 included the enhancement of our Human Resources systems to improve the quality of DEI data collection. As a result of these updates, we will now be able to partake in external initiatives such as the Asset Manager Diversity and Inclusion Questionnaire and we hope to use this as an opportunity to continue improving our DEI disclosures into 2024.

- 83% of employees feel that their immediate manager demonstrates a commitment to inclusion and diversity
- 32% new hires from underrepresented groups in 2023

Employee Health and Wellbeing

We place our employees' wellbeing and development at the heart of our growth. Following on from the launch of our staff wellbeing framework in 2022, several new health and wellbeing initiatives were introduced in 2023 including:

- An annual company funded health assessment to enable employees to take a proactive approach to their health
- Resilience training provided to all employees by an external partner, StrattonHR
- Weekly yoga classes hosted online and made accessible to all ability levels to benefit both mental and physical health
- Training additional mental health first aiders to increase employee support and prompt greater office communication around the importance of mental health
- In 2023, our weekly social running club and Gresham House Strava Club continued to grow. We also supported entry into several endurance events
- Holding monthly socials to encourage inclusivity and to stimulate connections across the business

In 2024, our health and wellbeing initiatives will continue to be promoted and unconscious bias and resilience training will be provided to new joiners and as a refresher to all employees.

Benefits offered to employees

- Corporate pension scheme
- Private medical cover
- Cycle to work scheme
- Give as you Earn and volunteering policy
- Life assurance
- Volunteering policy
- Hybrid working
- Bonus share matching
- Share save
- EV leasing scheme
- Annual health assessment

Employee Progression

In 2023, we continued to prioritise growth and development opportunities for our employees.

- Individual Job Frameworks were utilised by all divisions. This was to enable employees to track their career progression and to ensure that managers actively promote career development opportunities for their teams
- For a consecutive year, a 12-week external Resilient Women's Leadership Programme was offered to senior women across Gresham House

Listening to our colleagues

Highlights from our 2023 Employee Engagement Survey[45]

- 74% advocacy score – most employees recommend Gresham House as a good place to work (2022: 76%)
- 80% of employees understand how their job contributes to the success of Gresham House (2022: 82%)
- 83% of employees feel trusted to take personal responsibility for their work (2022: 82%)

45. Results from the Gresham House 2023 Employee Engagement survey based on 93% completion rate

94% compliance with code of conduct[46]

82% employees contribute to corporate pension scheme (compared to 82% in 2022)

25% employees using the ShareSave scheme (compared to 49% in 2022)[47]

46. Percentage of employees who have completed compliance training and agree to comply with the code of conduct
47. Lower rate in December 2023 due to mid-year acquisition announcement allowing for early payout option

04

Gresham House as a sustainable… Corporate Citizen

Our contributions to society

Impacting wider communities

Having a positive impact on the communities we are part of is vital to our culture at Gresham House and reinforces our commitment towards addressing the wider challenges we face as a society.

As a group, being a positive part of our society is critical to us meeting the expectations of diverse stakeholders and ultimately achieving our ambition to be a leader in sustainability.

We strive to support causes that align with our company values and that can make a difference in the world, and this is reflected by the charities we actively engage with.

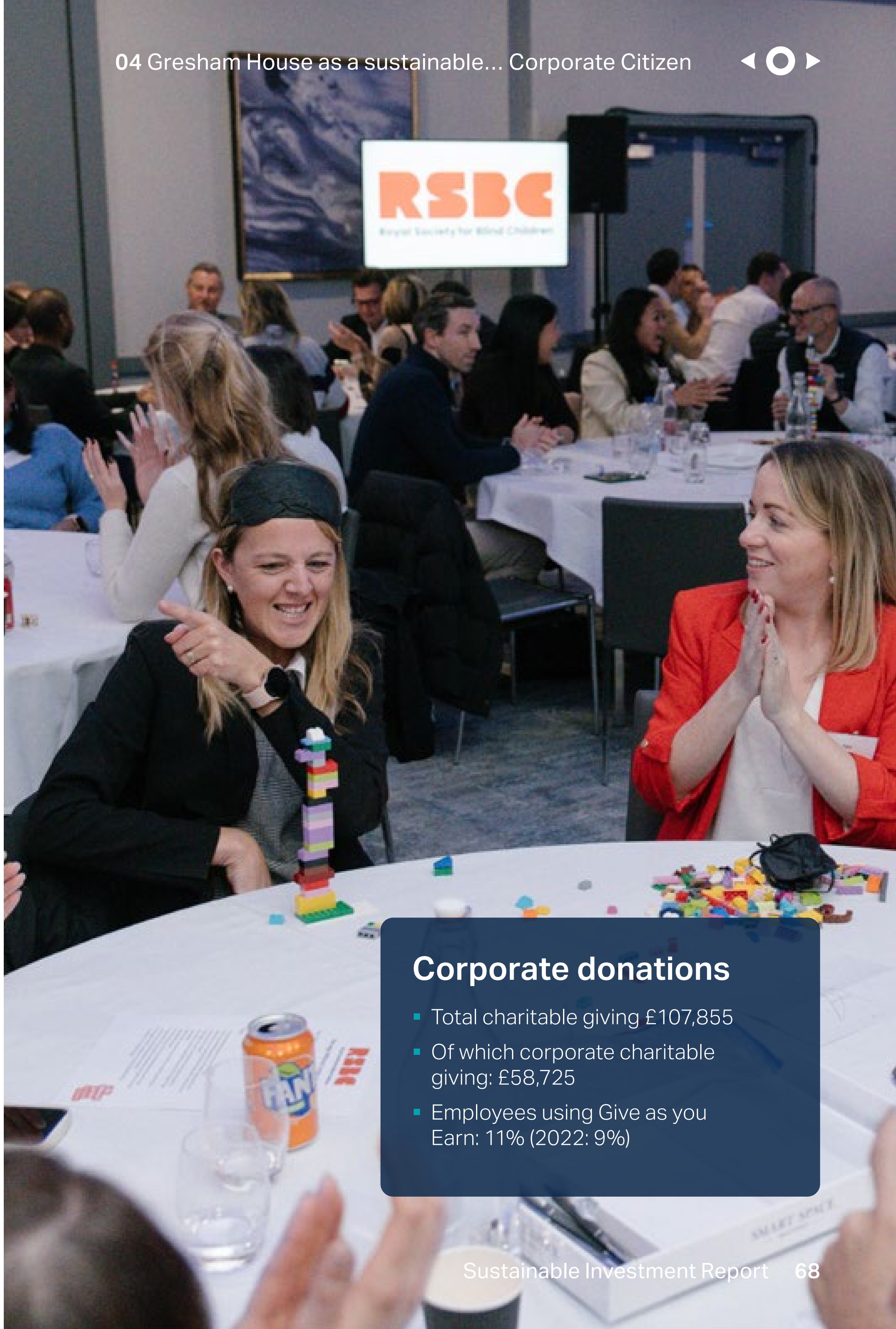
In 2023, we selected charities of a smaller size so that we can have a more meaningful impact on them, in terms of time contributed and fundraising as a percentage of their annual income. We also prioritised those where it is possible to build long-term partnerships (at least three years) so that we can support positive outcomes over a longer period of time.

Our charitable support

All employees are involved in our charity selection process and voted to bring a long list of 31 charities down to a short list of four. These four companies then presented on a group call and the final two were chosen. In the last year, we have been proud to partner with:

- Royal Society for Blind Children (RSBC), who are focused on funding services for blind and partially sighted children and their families including the provisioning of emotional support, practical advice, and training and running a specialist further education college
- Campaign Against Living Miserably (CALM), who work to improve mental health and well-being, particularly amongst men, in the UK and provide a free, confidential, and anonymous helpline to support people who are struggling or in crisis

On an individual level, our staff can choose to support these charities, or a charity of their choice, through the Charities Aid Foundation Give As You Earn (GAYE) scheme, whereby Gresham House matches employee donations up to £50 per month, contributing £25,850 through this scheme in 2023.



Corporate donations

- Total charitable giving £107,855
- Of which corporate charitable giving: £58,725
- Employees using Give as you Earn: 11% (2022: 9%)

Volunteering

We are committed to ensuring that all employees can undertake volunteering activities and are supported throughout their endeavours. Our volunteering policy provides all employees with two paid days off annually to participate in a volunteering activity or project. During 2023, we have worked to promote and encourage the use of this policy.

A contributing factor in the selection of our partner charities is the availability of volunteering opportunities and their engagement in fundraising events.

83%

of employees believe that Gresham House makes a positive contribution to our chosen charity and volunteering partners (2022: 81%)

Charity fundraising events

- Over £20,000 raised by 4 employees for RSBC by partaking in the London Marathon
- £1,517 raised from Race the Thames for London Youth rowing, a charity which aims to give less fortunate children in and around London the access to rowing and top-class coaching. We also committed to match this donation for CALM
- €1,230 raised by our Dublin office for Peter McVerry Trust (PMVT), Ireland's largest provider of Housing First services, aiming to provide homeless people with their own secure accommodation and access to specialised support services
- €2,460 also raised by our Dublin office for Jack and Jill Childrens Foundation, who fund in-home nursing care and respite support for children with neurodevelopmental delay
- £340 raised for CALM from employees participating in a Barry's Bootcamp charity event

Next steps

Following the development of our charity selection process in 2023, we aim to continue working with our chosen charities for a minimum of three years and build a longer-term relationship to achieve greater impact in areas aligned with our Corporate Sustainability Strategy.

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