

# Sustainable Disclosure Requirements (SDR) Pre-contractual Disclosure Template

## Fund Details

Fund Name	GRESHAM HOUSE SUSTAINABLE TIMBER & ENERGY LP
Legal Identifier	21380095GOTUL43KV817
Fund Manager	Gresham House Asset Management Limited
Version Data	09 June 2025

## Fund Label – Specific Requirements

Label	Fund Description
Sustainability Focus	

## General Requirements

Heading	Fund Description
<b>Sustainability Objective</b>	<p>Gresham House Sustainable Timber &amp; Energy LP (“the Partnership”) has a sustainability objective to invest in and manage real assets that meet robust environmental sustainability standards, with a focus on:</p> <ul style="list-style-type: none"> <li>- Sustainably managed, productive UK forests certified by sustainable forest management standards such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC)</li> <li>- Renewable energy generating assets that contribute to decarbonisation of the UK energy system</li> </ul>
<b>Asset Allocation</b>	The Partnership will invest a minimum of 90% of the gross asset value in assets that meet the Sustainability Objective.
<b>Assets that are not aligned with the</b>	The Partnership may also hold up to 10% in cash, other investments and instruments that will not be aligned with the Sustainability Objective but

<b>Sustainability Objective</b>	otherwise fall within the Investment Policy, provided that they do not conflict with the Sustainability Objective.
<b>Key Performance Indicators (KPIs)</b>	<p>The sustainability related key performance indicators (“KPIs”) that the Partnership measures, monitors and reports on are:</p> <ul style="list-style-type: none"> <li>• Percentage of gross asset value invested in assets aligned with the Sustainability Objective</li> <li>• Area of forest land certified to a third-party forest management standard (%)</li> <li>• Actual energy output (MWh)</li> </ul> <p>Area of forest land certified to a third-party forest management standard shows the area of land owned by the Partnership which is certified under Forest Stewardship Council’s (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC) and therefore applying sustainable forestry management practices. This demonstrates alignment with the Sustainability Objective and UN Sustainable Development Goal 15.2 (promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally). The area of forest certified is reported by the Woodland Managers and third-party audits are conducted by UK Woodland Assurance Standard (UKWAS) to ensure compliance with regulatory requirements.</p> <p>Actual energy output shows the amount of renewable energy produced by the Partnership’s investment into renewable energy assets. This demonstrates alignment with the Sustainability Objective and SDG 7.2 (increase substantially the share of renewable energy in the global energy mix). The actual energy output will be verified by independent contractors, meter operators, an Operations and Maintenance (O&amp;M) contractor and audited annually by persons independent of the manager’s investment process.</p> <p>The percentage of gross asset value invested in assets aligned with the Sustainability Objective, the area of forest land certified to a third-party forest management standard and the actual energy output will be reported annually.</p>
<b>Actual/expected material effect of pursuit of Sustainability Objective on financial risk and return</b>	There is no anticipated material effect on the financial risk and return of the Partnership as a result of the Manager applying the Sustainability Objective.
<b>Robust, evidence-based standard that is an absolute measure of</b>	For an asset to contribute to the Sustainability Objective, it must derive at least 90% of its revenue from activities that align with the SDGs, specifically:

<p><b>environmental and/or social sustainability</b></p>	<ul style="list-style-type: none"> <li>- SDG 15.2: promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally. Alignment will be demonstrated through certification to a third-party forest management standard.</li> <li>- SDG 7.2: increase substantially the share of renewable energy in the global energy mix. Alignment will be demonstrated through the reporting of the renewable energy output (MWh) of the assets in which the Partnership invests.</li> </ul> <p>The 90% revenue threshold aligns with the Partnership's commitment to invest a minimum of 90% of gross asset value in line with the Sustainability Objective. This threshold has been informed by internal due diligence and analysis of the Manager, which evidences that a sufficient amount of the Partnership's assets have a clear and measurable connection to the Sustainability Objective.</p> <p>The SDGs were chosen as the evidence-based framework for classifying whether or not assets align to the Sustainability Objective due to their global recognition and applicability to a portfolio of mixed asset types.</p>
<p><b>Independent Assessor</b></p>	<p>The Manager's dedicated Sustainable Investment Team will undertake a regular assessment of the standard of sustainability, to ensure that this remains appropriate.</p>
<p><b>Sustainable Investment Policy &amp; Strategy</b></p>	<p><u>Forestry Strategy</u></p> <p>The Partnership's forestry strategy contributes to sustainable development, particularly meeting the challenge of climate change and relevant Sustainable Development Goals. The strategy supports long-term supply demand dynamics driven by increasing demand for low carbon timber materials and avoiding deforestation and land use conversion by investing in existing or replanting productive forests.</p> <p>International forestry certification standards provide globally recognised frameworks for how forests should be managed to preserve biological diversity and benefit the lives of local people and workers, while ensuring continued economic viability. These standards include stringent criteria across a range of environmental, social and economic factors. The Partnership commits to managing all forests sustainably in line with, or beyond, international standards.</p> <p>The Partnership's forests are certified to FSC approved standards when harvesting commences and are managed in accordance with the UKWAS. The forest is initially audited prior to the first rotation harvest and thereafter inspected on a regular basis to ensure the implementation of sustainable management practices.</p> <p><u>Renewable Energy Strategy</u></p>

	<p>The Partnership may invest up to 20% of the NAV in renewable energy generating assets and the Manager employs Operations &amp; Maintenance service providers to provide a range of services to ensure that the Partnership's renewable energy assets are managed to set operating procedures, with the Manager providing effective corporate oversight and governance.</p> <p><u>Investment Selection &amp; ESG Integration</u></p> <p>All potential investments undergo a structured ESG assessment to ensure compliance with the key performance indicators outlined in the Sustainability Objective.</p> <p>The Investment Team employs a proprietary ESG Decision Tool (the "Tool") to evaluate each potential investment's contribution to the Sustainability Objective, SDG alignment, alignment with the commitments set out in the Forest Charter, and broader ESG risks and opportunities. This assessment ensures a rational, replicable and transparent approach to ESG integration, enabling informed investment decisions while upholding the Fund's sustainability commitments. The Tool assesses an investment's alignment with the sustainability objective by:</p> <ul style="list-style-type: none"> <li>• Determining if the forest currently meets UKWAS (or equivalent) standards, or there are clear mechanisms in place to deliver compliance to UKWAS (or equivalent) standards, to ensure that all forest land can be certified within a reasonable timeframe.</li> <li>• Quantifying the renewable energy potential of the project</li> <li>• Identifying opportunities to invest in socially and environmentally sustainable assets promoting local job creation and biodiversity enhancement.</li> </ul> <p>The findings from the Tool are incorporated into the investment decision-making process, informing the Forestry Investment Committee's deliberations and providing a structured framework (the "Framework") for ESG risk management and stewardship activities throughout the holding period. The Tool highlights material ESG risks and opportunities, which are then assessed and managed as part of the investment strategy.</p> <p>Details of how the Tool is applied to the Manager's ESG integration approach can be found within the Sustainable Investment Policy.</p> <p><u>Sustainable Investment Policy</u></p> <p>The Gresham House Limited group of companies ("Gresham House" or "our") has an overarching Sustainable Investment Policy (the "Policy") which describes our approach to sustainable investment and our commitments to investing sustainably while meeting our overall business objectives. Beneath the Policy, there are asset-specific Sustainable Investment Policies that describe approaches relevant to each asset class, in this instance the "Forestry policy" and "Energy Transition policy".</p> <p>Please see the Gresham House overarching Sustainable Investment Policy, Forestry Sustainable Investment Policy, and Energy Transition Sustainable Investment Policy. The purpose of these policies is to set out the manner in</p>
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	<p>which the commitments we have made at a group level will be implemented within the Forestry and Energy Transition investment strategies of the Manager. For the Forestry and Energy Transition investments this involves:</p> <ul style="list-style-type: none"> <li>• Applying the Framework to structure analysis, monitoring and reporting of ESG risks and opportunities within the lifecycle of investments to drive rigour and consistency.</li> <li>• Ensuring that divisional teams understand the imperative for effective ESG management and are empowered and equipped to carry this out through management support and training.</li> </ul> <p>The Manager's Forest Charter is a policy document setting out its commitments and targets relating to sustainable forest management. This includes its' commitment to certify all forests under management in line with the FSC, PEFC or other local standard as relevant, within a reasonable timeframe.</p>
<b>Governance, Stewardship and Monitoring</b>	<p>The Manager is responsible for the day-to-day management, monitoring and oversight of the Portfolio, including ensuring that the Partnership operates in compliance with its investment objective and the Sustainability Objective. The Manager is responsible for the ongoing monitoring of the Sustainability Objective and will track progress against the Key Performance Indicators.</p> <p><u>Governance</u></p> <p>The Gresham House senior management team, including the Board and the Group Management Committee (the "<b>GMC</b>"), are committed to the implementation of this policy and to ensuring appropriate resources and support are available to our team to do so. The manager will also conduct regular reviews of our approach, including assessing the ability to meet our commitments and update the asset-specific sustainable investment policies accordingly.</p> <p>Gresham House is a signatory to the UK Stewardship Code. In July 2024, it was announced that Gresham House has met the expected standard of reporting for 2023 and remained a signatory to the UK Stewardship Code 2020 for the fourth year in a row.</p> <p>The Fund Manager's parent company, Gresham House Limited, has been a signatory to the United Nations supported Principles of Responsible Investment (UN PRI) since February 2018. For 2024, Gresham House was awarded four or five stars for all relevant modules. Gresham House scored significantly higher than our peer group for each of the six modules.</p> <p><u>Stewardship</u></p> <p>Gresham House takes considerable steps to maintain its reputation of being a good land steward. This includes detailed assessment of Partnership land and factoring in the needs of all stakeholders.</p> <p>The Manager seeks community engagement on all material activity taking place within Partnership assets through open forums and written communication. Such an approach is important given the landscape scale</p>

	<p>impact made by Partnership assets on local communities and ecosystems.</p> <p><u>Monitoring</u></p> <p>To track the progress towards the Sustainability Objective, the following Key Performance Indicators will be measured, monitored and reported on an annual basis:</p> <ul style="list-style-type: none"> <li>• Percentage of gross asset value invested in assets aligned with the Sustainability Objective</li> <li>• Area of forest land certified to a third-party forest management standard (%)</li> <li>• Actual energy output (MWh)</li> </ul> <p>The Investment Team has a robust governance framework to ensure that its products meet their investment objectives, including sustainability objectives, as required. The Manager operates on a first line of defence (the Investment Team) and second line of defence (independent risk and compliance teams) model.</p> <p><u>First line of defence (“1LOD”) – general governance</u></p> <p>The Investment Team has overall responsibility for the day-to-day management of activities and making new investments in line with the sustainability objective of the Fund. The Investment Team test new investments against the investment objective and sustainability objective of the Partnership as part of the Forestry Investment Committee. From an ongoing monitoring perspective, the Investment Team implements an appropriate, documented and regularly updated due diligence process when investing on behalf of the Partnership, according to the investment strategy, investment objective and risk profile of the Partnership, including the Sustainability Objective and associated metrics and KPIs ensures that the risks associated with each investment position of the Partnership and their overall effect on the Partnership’s ability to achieve the Sustainability Objective can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures.</p> <p>Direct governance of the Partnership’s activities is undertaken by the Fund Management team. Day-to-day on-site activity is overseen by the Partnership’s contracted woodland managers who report to the Fund Asset Manager. Overall strategic direction and implementation are the responsibility of the Fund Manager. On a regular basis, the Fund Director and Managing Director of Gresham House Forestry will also review the challenges facing the Partnership, exploring and monitoring the risks and opportunities to ensure the Partnership meets its core objectives.</p> <p>Gresham House have detailed operations procedures to ensure that, at all times, its operational standards are met. The structure of the Manager ensures that there is a hierarchy of responsibility from the Director of</p>
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	<p>Partnership through to the Fund Manager and Fund Asset manager and onwards to the contracted woodland manager. This ensures that all points of forest development, planting approval, planting, ongoing woodland management, harvesting approval and harvest management are appropriately monitored and recorded. Systems and software are used to ensure that each procedure is recorded and signed off by the appropriate person. On a quarterly basis, Partnership meetings are held to review the forests, the portfolio and operational activities of the fund. These meetings are recorded and documented.</p> <p><u>Second line oversight ("2LOD")</u></p> <p>The Investment Team are supported by their functional teams, as well as cross-functional committees which oversee certain Partnership level commitments. The below formal committees meet periodically and gather management information about the Partnership's achievement of investment objectives including the Sustainability Objective.</p> <ul style="list-style-type: none"> <li>• AIFM Risk Committee: the AIFM Risk Committee at Manager level meets quarterly. Management information is produced from every division covering the Partnership by the Investment Team and reviewed by the Risk Committee. If there is a risk that the Sustainability Objective will not be met, this will be escalated to the Manager's Product Governance Oversight Sub-Committee who will determine whether further escalation is needed dependent on the nature of the risk.</li> <li>• Product Governance Oversight Sub-Committee (a sub-committee of the New Product Development Committee): the Partnership is reviewed on an annual basis. One of the inclusions in the Partnership's questionnaire is the attainment of its' Sustainability Objective. The management information for the committee is produced by the Investment Team alongside other relevant teams, including the Sustainable Investment Team, who assist the Investment Team with operationalising their sustainable investment management approach and data gathering and reporting. If any material issue relevant to a product's attainment of its Sustainability Objective is escalated by the AIFM Risk Committee, the product governance sub-committee is able to meet ad-hoc or as a standing meeting, quarterly, to discuss such issues.</li> <li>• New Product Development Committee: any thematic or material issues are able to be escalated directly to the New Product Development Committee which is comprised of the GMC and the Head of Compliance.</li> </ul> <p><u>Sustainability Objective Monitoring:</u></p> <ul style="list-style-type: none"> <li>• The 1LOD is responsible for day-to-day monitoring of the Sustainability Objective Key Performance Indicators set by the Partnership.</li> <li>• The Investment Committee will track whether or not capital is invested in line with, and contributes to, the Sustainability Objective.</li> <li>• On a quarterly basis, the 1LOD will report to the Manager's AIFM Risk Committee a confirmation of compliance with the Sustainability Objective including contributing indicators.</li> </ul>
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	<ul style="list-style-type: none"> <li>• The percentage of gross asset value invested in assets aligned with the Sustainability Objective will be monitored by the Investment Team to assess progress towards the Sustainability Objective and will be reported as a metric to the Manager's AIFMD risk committee on a quarterly basis.</li> <li>• Aligning with the year end for the Partnership, the Product Governance Committee will receive a confirmation from the AIFM Risk Committee that the sustainability objective Key Performance Indicators were found to be within tolerance for the period.</li> </ul>
<b>Escalation</b>	<p><u>Escalation and Reporting:</u></p> <ul style="list-style-type: none"> <li>• If capital is deployed into an investment that does not contribute towards the Sustainability Objective, the 1LOD must promptly escalate the issue to the 2LOD, which may convene an ad-hoc meeting of the Manager's AIFM Risk Committee.</li> <li>• If the threshold for the percentage of gross asset value invested in assets aligned with the Sustainability Objective is breached, it must be reported immediately via the Manager's Incident &amp; Breaches tool, which alerts the members of the Incident &amp; Breaches working group (the "working group"). The working group is chaired by the Head of Compliance and will determine the correct escalation in line with the Manager's policy, including considerations such as severity of the breach, and remediation prospects. The escalation avenues could be one or more of the Product Governance Committee, the GMC and/or any internal Gresham House Boards.</li> <li>• The Incident &amp; Breaches working group will require the 1LOD to create a remediation plan covering root cause for the breach, specific actions to remediate the breach, responsible parties, a timeline for resolution, and any reporting requirements to the parties to whom the matter was required to be escalated.</li> <li>• The remediation plan is reviewed and approved by the Manager's AIFMD Risk Committee to ensure it is adequate and aligns with the Manager's risk management framework.</li> <li>• Progress against the remediation plan is monitored by the Incidents &amp; Breaches working group on a bi-weekly basis (the frequency the working group meets), with quarterly updates to the Risk Committee.</li> </ul> <p>If there is a breach of the Sustainability Objective for more than one quarterly review period of the AIFM Risk Committee, additional measures may be required. The Head of Compliance shall make the appropriate escalation. We will implement remedial actions according to our escalation plan within one year where possible or aim to do so.</p>



## Consideration of Negative Environmental & Social Outcomes

### Forestry

	Theme	Summary	Mitigation or Action
Environmental	Biodiversity loss	As a part of productive sustainable forestry, high densities of single tree species or limited biodiversity in replanted areas can affect habitat quality and biodiversity, impacting species that rely on native forest ecosystems.	All forests are planted to certified forest standards. Such standards ensure that single species proportions are limited and that long-term forest plans seek to increase areas managed primarily for biodiversity. The Manager exceeds these minimums where possible, seeking optimal planning plans that balance commercial returns with biodiversity enhancement.
	Soil degradation and erosion	Some harvesting techniques can cause soil degradation and erosion. This risk is higher in areas with steep slopes or fragile soils.	All Partnership harvesting is undertaken to the highest standard and is closely monitored by woodland managers and Gresham House's asset management team. If there is any risk of soil degradation or erosion, harvesting is halted immediately until such time as the risk can be fully mitigated. It is both environmentally and commercially important that soils are not degraded as the next rotation of trees will be affected. Evidence generally shows that second and third rotation forestry grows with greater vigour due to enhanced soil status <sup>1</sup> .
	Water resource impacts	Forestry operations can affect water quality and availability. Soil disturbance, road construction, and tree harvesting can lead to sedimentation in nearby water bodies, impacting aquatic ecosystems.	All forestry operations are monitored by both the Partnership's woodland managers and asset managers. Should there be any evidence of water quality or site impact – all operational activity is halted until such time as any effects can be rectified. On the whole, locating trees near watercourses improves their quality by mitigating the impact of contaminants <sup>2</sup> .

<sup>1</sup> [Conifer Breeding Co-operative](#)

<sup>2</sup> [The River Trust](#)

	Chemical use	Sustainable forestry can involve the use of pesticides, herbicides or fertilizers to manage growth, pests, and disease. Applications can have unintended environmental impacts, contaminating soil and watercourses leading to harmful impacts on non-target species.	All chemical use is strictly controlled under UK forestry standards and will only be used where required to ensure the long term viability of new planted trees. All herbicides or pesticides used are constantly being reviewed for their efficacy and environmental effect.
Social	Community disturbance or restrictions	Large scale forestry may temporarily restrict access to traditional lands and resources for local communities. Some level of disturbance may also impact local communities due to any construction, harvesting and movement of large vehicles.	All forests managed by Gresham House encourage full public access to the community. Many properties contain enhanced access features such as paths or trails through the growing trees. Where traffic movements are unavoidable, pre-agreed routes are used and efforts are made to avoid disturbance through activity at pre-agreed times and frequencies.
	Labour rights and working conditions	Forestry work can sometimes involve poor labour conditions, including low wages, limited benefits or unsafe working environments particularly in more remote areas. Seasonal working can also create challenges.	Gresham House commits to ensuring all wages for people working in certified forests, including forest workers, contractors and other operators, at least meet or exceed minimum or living wages.  Gresham House ensures that best practice for Health and Safety is followed by woodland managers by undertaking ad hoc site visits and formal quarterly audits.
	Conflict with local land uses	Forestry can compete with other local land uses such as agriculture or conservation, creating potential conflicts with the local community.	Before any new woodland creation scheme commences, Gresham House undertakes a significant process to ensure that regulatory and environmental standards are met or exceeded before approval is received. This includes multiple engagements with local communities to gather feedback during the planning and approval process.

## Renewable Energy

	Theme	Summary	Mitigation or Action
Environmental	<b>GHG Emissions (Scope 1/2/3) (tonnes)</b>	Construction of wind and solar farms generates embodied emissions through transport, materials, and installation.	While these emissions cannot be fully avoided, they are outweighed by the long-term avoided emission from renewable energy generation. Project design favours lower emission methods where feasible.
	<b>Activities negatively affecting biodiversity sensitive areas</b>	Construction and operations can have adverse impacts on local biodiversity. These include habitat disruption, especially in sensitive or protected areas, collision risks for birds and bats with turbine blades, and noise pollution that can disturb wildlife. Construction activities may also lead to soil erosion and water pollution.	All protected species are surveyed in advance of the planning submission and this includes, for instance, dormice, badgers, bats, birds of prey, great crested newts and other species.  Mitigation measures are proposed by external independent ecologists and an ecologist is on site during construction to monitor this and any mitigation will be implemented during construction.
	<b>Emissions to water</b>	During construction and operation, there is a risk of pollutants entering local water sources, particularly if the site is near rivers or lakes. Pollutants such as oils, fuels, and chemicals from machinery can spill or leak, contaminating surface and groundwater. Sediment runoff from soil disturbance during construction can also harm aquatic ecosystems, reducing water quality and impacting fish habitats.	Site-specific drainage, containment, and erosion control plans are implemented. These are approved during planning and followed by contractors throughout construction.
Social	<b>Rate of accidents</b>	There is inherent health and safety risk with any construction and the manual operation and maintenance of new infrastructure/real assets.	Third party onboarding due diligence and ongoing monitoring of construction sites and of the assets thereafter. Accidents will also be monitored and reviewed as required under Construction, Design and Management Regulations.

	<b>Lack of human rights policies and practices for suppliers and contractors</b>	<p>There is a risk that can lead to a potential negative social outcome of contractors in high risk industries such as construction not having the necessary policies. Wind and solar farms require a range of materials and components which are often sourced globally in regions with weaker labour regulation.</p> <p>As such, there is a risk that human rights abuses or modern slavery practices such as forced labour may occur in the supply chain. These abuses can also extend to low wages, excessive working hours, or working conditions and lack of health and safety protections.</p>	The manager employs extensive third-party oversight due diligence policies and processes for onboarding and ongoing due diligence aiming to mitigate the risk of a negative social outcome associated with lack of human rights policies and practices.
	<b>Community opposition</b>	<p>Wind and solar farms may face community opposition, which can stem from concerns including the visual impact of turbines on the landscape, noise pollution, potential impacts on property values or perceived health effects (from the construction phase).</p> <p>Local communities may also worry about disruption, impacts on local wildlife and loss of access to certain land(s). When community concerns are not addressed this can lead to strained relationships, delays and legal challenges.</p>	All new projects will go through a process of stakeholder engagement. The Partnership will aim to involve relevant parties if new assets are being developed.