Gresham House
Specialist investment

Sustainable Investment report 2026

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Reporting period: 1 January to 31 December 2025

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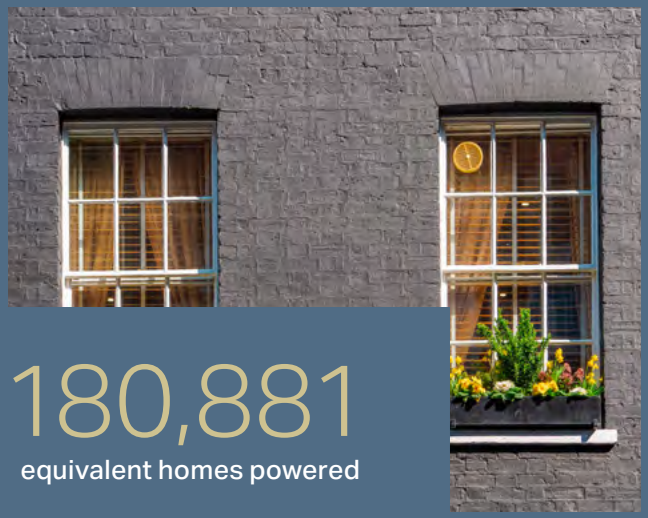
HIGHLIGHTS FROM THE YEAR

269,279
tCO_2e
avoided by renewable assets

1,377
hectares biodiversity habitat created

26%
of forest land managed with biodiversity as the primary objective



180,881
equivalent homes powered

2.4 mn
tCO_2e
sequestered by our forests

601 GWh
renewable energy generated

Tony Dalwood - Chief Executive

A word from the Chief Executive

Long-term investment requires conviction about the forces reshaping economies and discipline in deciding where capital can make a difference.

The physical consequences of climate change are increasingly visible. In the UK, 2025 was the warmest year in a record extending back to 1884, while river flows in England between March and August were the second lowest since 1961[1]. By the first half of 2026, record heat across Europe and North America, severe European winter storms and major flooding in China were again disrupting communities and economies. Natural disasters caused almost US$112 billion of losses during those six months, 60% of which was uninsured[2].

These are not abstract sustainability issues. They affect productivity, infrastructure, supply chains, asset resilience and long-term value.

Our focus remains consistent: to deliver competitive financial returns with sustainability outcomes. We invest in the long-term themes shaping how economies adapt and grow, from natural capital and more flexible energy systems to sustainable infrastructure and innovative businesses. In these markets, resilience and sustainability are integral to the investment case, as these themes serve to reduce the risk of investment and by definition increase the attractiveness on a risk-return basis.

Gresham House continued to grow in 2025, reaching £10.7 billion of assets under management. The acquisitions of SUSI Partners and Molpus Woodlands Group in 2026 have subsequently extended our specialist capabilities and international reach across energy transition and natural capital.
GH30 provides the strategic framework for this next phase: combining disciplined investment, product innovation, international growth and operational strength.

As we grow, so does our responsibility to understand material risks, deploy capital effectively and demonstrate results.
We believe specialist private capital, supported by active ownership and experienced investment teams, can help build the resilient infrastructure, energy systems, natural assets and businesses that economies increasingly need while continuing to deliver for our clients.

[1]Met Office, State of the UK Climate 2025
[2]Munich Re, Natural disaster review for the first half of 2026

Our focus remains consistent: to deliver competitive financial returns with sustainability outcomes. We invest in the long-term themes shaping how economies adapt and grow, from natural capital and more flexible energy systems to sustainable infrastructure and innovative businesses.

Tony Dalwood
Chief Executive

Hyewon Kong - Director, Sustainable Investment

Advancing our sustainability approach

Our focus is clear: to translate Gresham House's sustainability ambitions into credible, evidenced action across every asset class. The Integrated Climate and Nature Strategy is a significant step in that direction, establishing four Group-level targets for 2030 supported by implementation priorities tailored to each investment strategy.

This report demonstrates a significant advance in how we assess climate and nature across our portfolios. We have moved beyond high-level nature screening towards portfolio-wide and location-specific analysis of impacts and dependencies, supported by the **WWF Biodiversity Risk Filter** and **Water Risk Filter**. We have also expanded forward-looking physical climate analysis to examine how heat, drought, water stress and extreme precipitation may develop under different climate scenarios to 2050.

The GH30 Sustainability Strategy framework introduced in this report brings those developments into a single set of priorities: Climate and Nature, People, Governance & Conduct, and AI & Technology.

The framework is designed to provide consistency as Gresham House grows internationally, while keeping implementation proportionate to the characteristics of each asset class, the influence we have and the objectives of our clients.

We will continue to contribute beyond our portfolios where collaboration can strengthen investment practice, including natural capital accounting, biodiversity assessment, stewardship and avoided-emissions methodologies. Our ambition is to help establish the evidence and standards that enable clients to allocate capital with greater confidence.

We will continue to contribute beyond our portfolios where collaboration can strengthen investment practice, including natural capital accounting, biodiversity assessment, stewardship and avoided emissions methodologies.

Hyewon Kong
Director, Sustainable Investment

1 Introduction

Gresham House
Specialist investment

About Gresham House

Gresham House is a specialist alternative asset manager with £10.7bn of assets under management as at 31 December 2025. We invest where long-term structural demand meets real assets and businesses that need capital to grow: natural capital, the energy transition, social and sustainable infrastructure, and growth equity.

Our platform spans four divisions: Natural Capital (£3.9bn), Infrastructure (£3.4bn, comprising Energy Transition and Sustainable Infrastructure), Real Estate (£1.0bn) and Strategic Equity (£2.4bn). We hold leading positions in several of these markets, including commercial forestry management, where we are the largest manager in the UK, and UK venture capital trusts.[3]

Gresham House is privately owned. Our employees hold a 28% stake in the business, which means the people making investment decisions are exposed to their consequences over the same horizons as our clients. We have been a signatory to the UN-supported Principles for Responsible Investment since 2018, and our GH30 strategic framework sets the direction of the firm to 2030.

[3] As at 31 December 2025

£10.7bn AUM[1]

Fee-earning AUM and committed capital as at 31 December 2025. Includes SUSI Partners whose acquisition was completed in January 2026.

Natural Capital
£3.9bn

Infrastructure
comprising Energy Transition and Sustainable Infrastructure
£3.4bn

Real Estate
£1.0bn

Strategic Equity
£2.4bn

New acquisitions

SUSI Partners: In January 2026 we completed the acquisition of SUSI Partners AG, the Switzerland-based specialist energy transition infrastructure manager, adding more than 15 years of European investment experience and a growing platform in Asia. Combined with our UK battery storage business, this creates an energy transition platform of approximately £2.7bn AUM, among the ten largest in Europe. The SUSI platform spans battery storage, renewable generation, energy efficiency and electrification, investing across the capital stack from senior-secured credit to value-add equity.

Molpus Woodlands Group: In July 2026 we completed the acquisition of a majority interest in Molpus Woodlands Group, a Mississippi-based timberland investment manager. Molpus has a corporate history dating to 1905 and more than 30 years' experience as a timberland investment management organisation. Its capabilities span timberland management, afforestation, reforestation, carbon credit generation and land optimisation, with assets located across 15 US states. Molpus retains its name and leadership team, who join our Global Executive Management Team and the Investment Committees for our Natural Capital platform.

Both acquisitions completed after 31 December 2025 and are described on a narrative basis. Full data integration is planned from the 2026 reporting period.

Contributions to the industry

Gresham House plays an industry leadership role in supporting and promoting sustainable investment.

Our work was recognised across both impact and mainstream investment categories during 2025.

3 Sustainability related awards won

- Local Authority Pension Fund (LAPF) Investments Awards 2025: Impact Manager of the Year
- Local Government Chronicle (LGC) Investment Awards 2025:
  - Impact Manager of the Year
  - Sustainability Manager of the Year
  - Private Markets Manager of the Year

We participate in industry and policy work where collective action can address systemic risks or improve market practice more effectively than we can acting alone. We prioritise initiatives directly relevant to the asset classes we manage, and where our specialist position means our contribution is additive rather than duplicative.

2025 winner

Local Authority Pension Fund (LAPF) Investments Awards

Impact Manager of the Year

LAPF Investments Awards

2025 winner

Local Government Chronicle (LGC) Investment Awards

Impact Manager of the Year

Sustainability Manager of the Year

Private Markets Manager of the Year

LGC Investment Awards 2025

Contributing to the ISFC Natural Capital project

As a co-founder of the International Sustainable Forestry Coalition (ISFC), we contributed during 2025 to the Forestry Natural Capital Project, a sector-wide initiative developed with the Capitals Coalition and supported by the TNFD to establish a standardised approach to measuring and reporting natural capital across productive forestry. In September 2025 we participated in a three-day conference in Helsinki at which ISFC members finalised a shortlist of seven ecosystem services and natural capital stocks for standardised reporting: sustainable timber and fibre supply, carbon sequestration and emissions, water quantity, water quality, biodiversity, air quality, and recreational and cultural services. The outputs were released publicly at COP 30, with phase two of the project, covering common methodologies and an illustrative natural capital account, due for completion in 2026.

Response to the UK Stewardship Code consultation

We contributed to the evolution of industry stewardship standards through our response to the FRC's consultation on the revised UK Stewardship Code. We advocated for a Code that maintains its ambition while improving reporting efficiency and supporting clear, comparable disclosure of stewardship activities and outcomes.

Response to HM Treasury's consultation on a UK Green Taxonomy

We responded to HM Treasury's consultation on a UK Green Taxonomy, supporting the development of a practical, science-based and globally interoperable framework. Our response emphasised the importance of alignment with international standards, inclusion of nature-based solutions and the need for a dynamic taxonomy that evolves with market practice and scientific developments.

Becoming a Finance for Biodiversity Signatory

During 2025 we became a signatory to the Finance for Biodiversity Pledge and went further by joining the Finance for Biodiversity Foundation as a member, contributing to a global investor initiative focused on integrating nature-related risks and opportunities into investment decision-making.

Contributing to third-party research on Natural Capital Investing

During 2025, Gresham House contributed to a third-party research report called A Guide to Natural Capital Investing, authored by Kana Earth in collaboration with market participants including Aberdeen (formerly abrdn) and Rebalance Earth. Gresham House was a key contributor to the report, which set out the three pillars of natural capital investment, examined the portfolio characteristics of an allocation to the theme, and outlined the structural drivers supporting growth in the asset class. The report was intended to make natural capital more accessible to investors approaching the theme for the first time.

Pensions for Purpose co-commissioned report on sustainability integration across the UK insurance sector

Gresham House co-commissioned, alongside Federated Hermes, Fidelity International, Mercer, SAIL Investments and Solas Capital, a report by Pensions for Purpose examining sustainability integration across the UK insurance sector. The report considered how sustainability strategies vary by asset class, assessed the practical challenges insurers face in implementation, and reviewed the role of regulatory guidance in supporting progress. It concluded that the UK insurance industry is making meaningful advances in embedding sustainability, while identifying areas where greater regulatory clarity would unlock further impact.

Putting our clients at the centre of what we do

Our clients include 26 Local Government Pension Schemes invested across our real asset strategies, alongside endowments, charities, insurers, wholesale, private client and family office investors. In 2025 we welcomed our first institutional investors from Australia and Japan.

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.

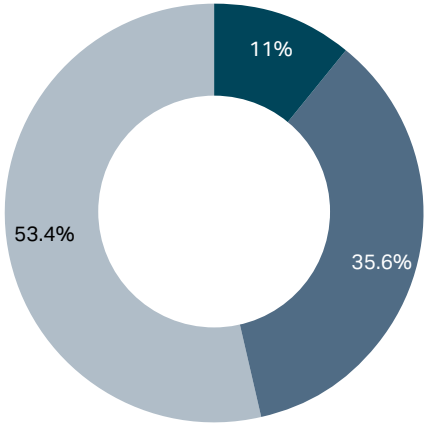
We use our unique position as a leader in alternatives to develop solutions that meet clients' specific sustainability outcomes and drive transformative change, including:

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

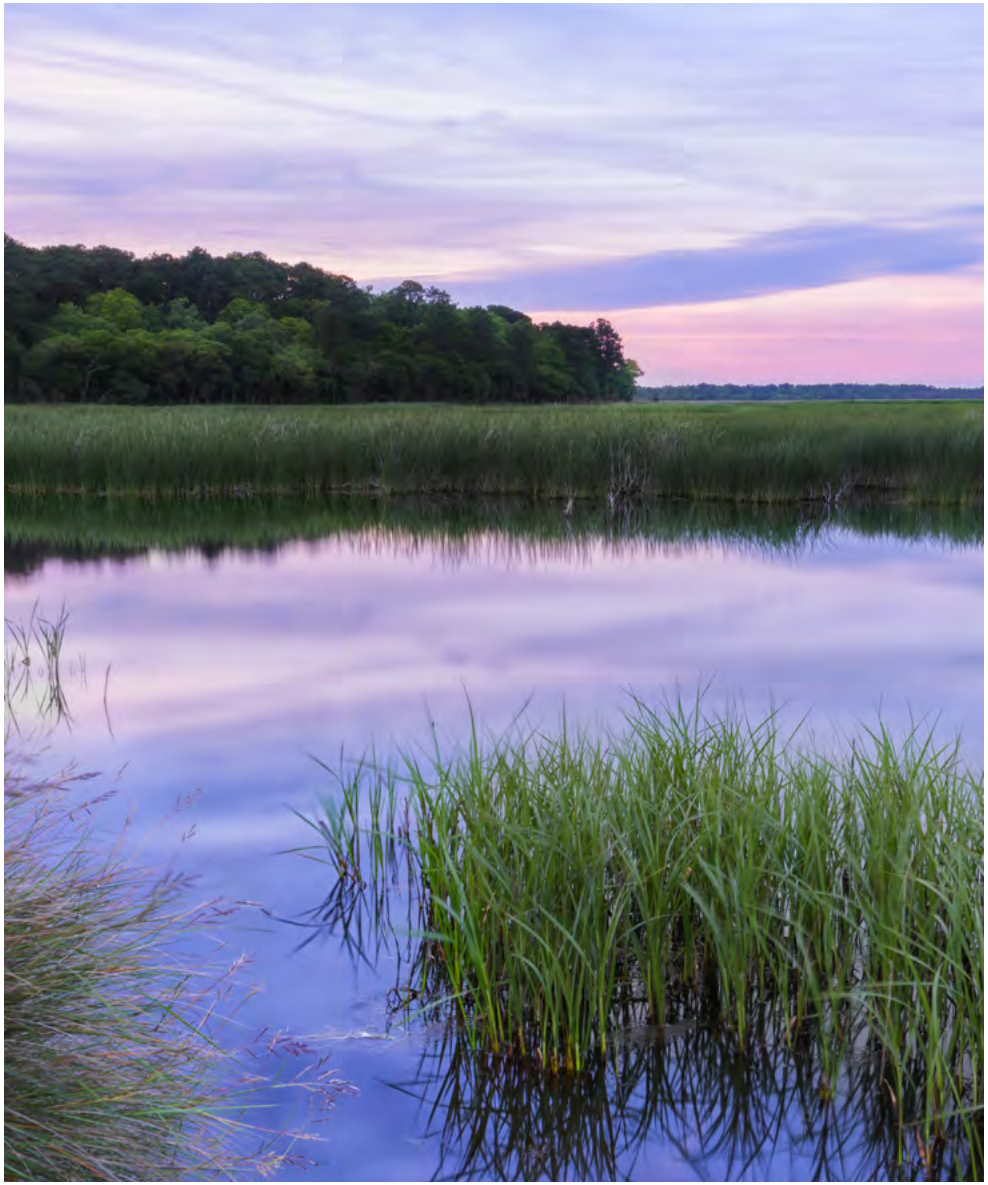
Direct access to assets remains the most effective form of client engagement we offer. In 2025 we hosted four site visits for 27 institutional investors and advisers, including local government pension schemes, endowments, asset managers and investment consultants, giving them direct sight of how assets are managed and the sustainability outcomes they generate.

AUM by client channel

as at 31 December 2025, proforma for SUSI Partners AG which was acquired in January 2026.



Private clients/family offices	£1.2bn
Wholesale retail	£3.8bn
Institutional	£5.7bn
Total:	**£10.7bn**



Case study

Client site visit

South Scotland forestry assets

Context

Gresham House hosted representatives from NGS Super, an Australian superannuation fund

In March 2025, Gresham House hosted representatives from NGS Super, an Australian superannuation fund, on a structured site visit to forestry assets in South Scotland, forming part of NGS Super's due diligence process in connection with a potential commitment to the Gresham House Sustainable International Forestry Fund.

Activity

Bringing sustainable forestry to life

The programme took in two contrasting sites; Tansy Hill, a newly planted site, where discussions covered the afforestation process from public consultation and site design through to regulatory approval, natural capital integration and biodiversity enhancement; and Whitelyne, an established forest with live harvesting under way, where the group observed harvesting operations directly and discussed the timber sales process, market responsive deferral of harvesting, and Gresham House's approach to restocking, illustrating the shift in UK forestry practice from single-age monoculture towards multi-age, mixed species design. The visit closed with a tour of BSW Timber's sawmill in Carlisle, connecting forest management to the downstream timber value chain.

The visit closed with a tour of BSW Timber's sawmill connecting forest management downstream timber value chain.

Outcome

The visit gave NGS Super a substantive, evidence-based forum for assessing sustainability, governance and operational practice at asset level demonstrating how Gresham House supports clients in evaluating stewardship quality through direct engagement rather than documentation alone.

A substantive, evidence-based forum for assessing sustainability, governance and operational practice at asset level.

Case study

Client site visit to Chippenham

Shared Ownership housing

Context

Chippenham

Located in Chippenham, Wiltshire

In March and November 2025, Gresham House hosted representatives from Wiltshire Pension Fund on two site visits to its Shared Ownership development in Chippenham, delivered through the Gresham House Thriving Investments housing platform, to give the client direct visibility of construction progress and the practical delivery of their investment at asset level.

Activity

Tracking construction progress and sustainability

The two visits tracked progress on the Chippenham scheme - 167 homes across affordable and open-market tenures on a brownfield site near the town's railway station, with transport links to Bristol, Bath, Swindon and London - from foundations laid in March to a watertight first phase with kitchens being installed by November. The visits also gave Wiltshire Pension Fund direct insight into the environmental and community measures in place during construction, including solar-powered site cabins, water sprinklers for dust control, a safe corridor to support relocation of a badger sett found on site, and high energy-efficiency measures such as solar panels and wastewater heat recovery systems in the finished homes.

The visits gave Wiltshire Pension Fund direct insight into the environmental and community measures in place during construction

Outcome

The first homes reached practical completion in March 2026, giving the Wiltshire Pension Fund a year-long, on-the-ground view of the scheme's delivery from groundworks through to completion.

A year-long, on-the-ground view of the scheme's delivery from groundworks through to completion

2 Strategy

GH30 Sustainability Strategy Framework

GH30 Sustainability Strategy Framework

GH30 sets the firm's sustainability direction to 2030 across four priorities: Climate and Nature, People, Governance and Conduct, and AI and Technology. Our double materiality assessment identifies the issues most material to our business and portfolios. Our Sustainable Investment Framework applies these considerations in investment decisions, while the published Integrated Climate and Nature Strategy provides the detailed Group approach and targets for climate and nature.

Double materiality assessment

We conducted a group-wide double materiality assessment, which provided a structured evidence base for our sustainability strategy and reporting priorities. The assessment asks two questions for each sustainability issue: how our activities and investments affect people and the environment (impact materiality), and how sustainability issues create financial risks or opportunities for our business (financial materiality).

Each issue is scored separately at two levels: Gresham House as a corporate entity, covering our own operations and workforce globally, and Gresham House as an investment manager across our real asset and equity strategies. This two-level approach reflects the reality of an asset management business, where the most material issues for our own operations differ from those most material across the portfolios we manage.

Impact materiality is assessed across scale, scope, irremediability and likelihood. Financial materiality is assessed across magnitude, likelihood and time horizon. An issue is treated as high priority where it is assessed as highly material on either dimension, at either level, so that an issue dominant in our portfolios is not diluted by lower relevance to our own operations, or the reverse.

Water-related impacts and dependencies, including watershed services, water quality and water risk to land-based assets, are assessed within the land use and ecosystem services issue rather than disclosed as a standalone target.

The assessment identified high priority issues, mapped here to the four pillars of our GH30 Sustainability Strategy.

The Four Pillars of the GH30 Sustainability Strategy

1 Climate and Nature

- Climate change mitigation
- Biodiversity and nature loss
- Energy transition and security
- Land use, water and ecosystem services

2 People

- Labour rights and working conditions
- Modern slavery and supply chain

3 Governance and Conduct

- Regulatory compliance and transparency
- Business conduct and ethics

4 AI and technology

- Cybersecurity and data resilience
- AI and data ethics
- Technology-enabled investment risks

At portfolio level, the materiality is dominated by climate and nature. Climate change mitigation is the most material issue assessed, with biodiversity, land use and energy transition close behind. This is consistent with the profile of a manager whose largest platforms are forestry, energy transition and sustainable infrastructure, and it confirms the basis on which we developed our Integrated Climate and Nature Strategy.

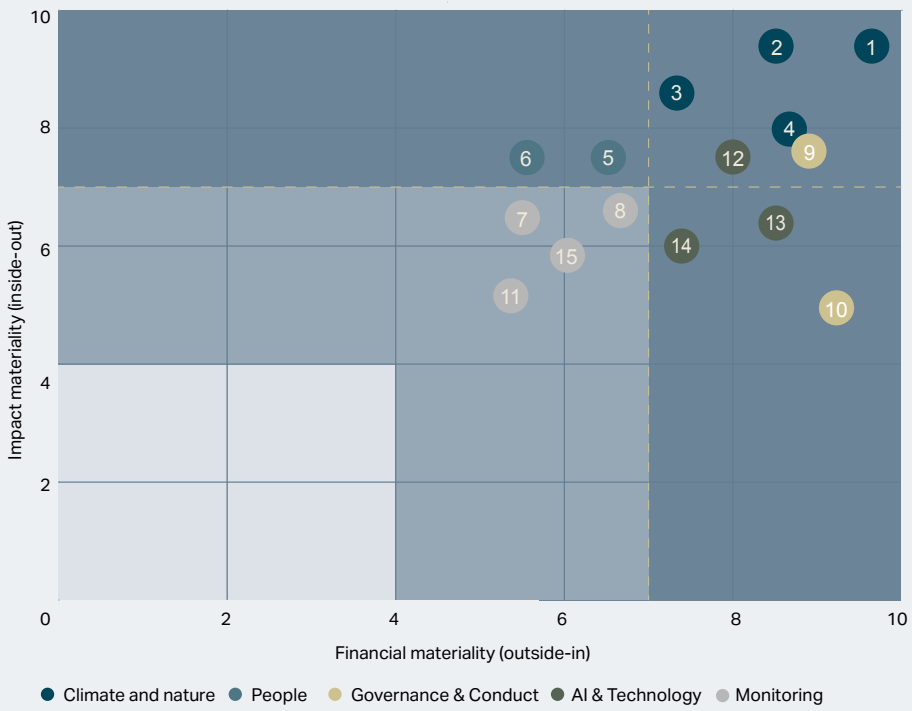
At corporate level the materiality is different. Regulatory compliance and transparency, business conduct and ethics, and cybersecurity and data resilience are the most material issues, reflecting our position as a regulated manager operating across UK, EU and US regulatory regimes. AI and data ethics is also assessed as highly material, reflecting the firm-wide adoption of AI governance during 2025 in areas including recruitment and investment analysis, governed by internal frameworks, data security controls and human supervision.

Two issues are highly material at both levels. Regulatory compliance and transparency apply at entity level and at product level. Labour rights and working conditions reflects obligations to our own workforce alongside elevated risk across our international portfolio operations.

Technology-enabled investment risks is a newly identified priority at portfolio level. It reflects our reliance on models that directly inform investment decisions and valuations, including geographic information systems and carbon projection models across our natural capital platform and credit models within our infrastructure strategies. Governance of these models sits within our existing risk framework, and strengthening it is a priority for 2026.

The remaining four issues assessed, community and social impact, diversity, equity and inclusion, tax strategy and economic value, and digital infrastructure and AI emissions, are classified as monitor and manage and kept under review through the annual assessment cycle. Material changes trigger an interim update, with a full refresh at least every four years.

Visual Heat Map of Double Materiality



11 issues meet the High Priority threshold

Coloured number = High Priority
Grey number = Monitor

Issues by pillar (1-15)

Climate & Nature

1 Climate change mitigation
2 Biodiversity & nature loss
3 Land use & ecosystem services
4 Energy transition & security

People

5 Labour rights & working conditions
6 Modern slavery & supply chain
7 Community & social impact
8 Diversity, equity & inclusion

Governance & Conduct

9 Business conduct & ethics
10 Regulatory compliance & transparency
11 Tax strategy & economic value

AI & Technology

12 AI & data ethics
13 Cybersecurity & data resilience
14 Technology-enabled investment risks
15 Digital infrastructure & AI emissions

GH30 Sustainability Strategy

GH30 brings our sustainability priorities into one framework for a larger, more international investment platform. It provides a consistent Group direction while allowing implementation to reflect each asset class, ownership structure and level of influence.

1 Climate and Nature

Integrated Strategy

Published in 2026, our Integrated Climate and Nature Strategy is the cornerstone of GH30 and our most significant public sustainability commitment to date. We integrate climate and nature because the two are interdependent: nature-based assets play a critical role in climate mitigation and adaptation, while climate change is itself a principal driver of biodiversity loss. We believe treating them together supports better informed investment decisions and more resilient portfolios.

We aim to align our in-scope portfolios with a net zero emissions future by 2050, consistent with the Paris Agreement and the IIGCC Net Zero Investment Framework.

Our interim 2030 targets, expressed as percentages of in-scope AUM, are:

Target	2030
AUM contributing to real-economy decarbonisation pathways	75% **Real-economy decarbonisation pathway** IIGCC NZIF-aligned pathway supported by science-based emissions trajectories consistent with 1.5 °C.
AUM allocated to Climate Solutions	55% **Climate Solutions** Investments in activities, goods, and services that reduce emissions, enable decarbonisation, or support durable carbon sequestration or storage, per IIGCC NZIF guidance.
AUM assessed for material nature-related impacts and dependencies	75% **Nature-related impacts and dependencies** Assessed using the TNFD's LEAP (Locate, Evaluate, Assess, Prepare) approach.
AUM allocated to Nature-based Solutions	20% **Nature-based Solutions** Actions that work with and enhance nature to address societal challenges, whilst delivering biodiversity and ecosystem service benefits.

Targets are not guaranteed. These milestones are intended to guide capital deployment, stewardship and portfolio management across the Group.

Delivery is structured around three connected pillars:

Capital deployment and solutions

Allocating capital to assets and businesses that support decarbonisation and ecosystem resilience, and incorporating material climate and nature-related considerations into investment decisions.

Active stewardship

Working with portfolio companies, assets and other stakeholders to support transition planning, improve environmental performance and manage material climate and nature-related risks over time.

Portfolio management

Monitoring climate and nature-related risks and opportunities, improving operational efficiency, and incorporating these considerations into ongoing asset management and capital allocation. Implementation is tailored by asset class, reflecting differences in investment horizon, ownership, environmental risk profile and data maturity.

2 People

Empowering talent, advancing human rights

People are central to how we grow. Our People pillar sets the standard we hold for everyone connected to Gresham House: our own employees, and the workers, suppliers and communities connected to the assets we manage. Our double materiality assessment identified labour rights and working conditions as a high priority issue at both corporate and portfolio level, with modern slavery and supply chain risk elevated across construction, forestry operations and international supply chains.

Growing into a larger, more international business raises the bar on both sides of this pillar: what it takes to attract and keep the people who work for us, and what we expect of the companies and communities we invest in.

Building a place where people thrive

- Launch our Wellbeing & Community Forum, giving employees a direct voice in shaping wellbeing, culture and community initiatives as we grow into a larger, international business
- Turn employee insight into action on wellbeing, inclusion and community across our offices.
- Create clear feedback loops so colleagues see how their input shapes decisions.
- Expand learning, leadership and international career opportunities so people can grow with the business.

Advancing human rights through investment

- Strengthen risk-based human rights due diligence, focused on higher risk sectors, geographies and supply chains
- Enhance ongoing human rights monitoring across our highest-risk asset classes
- Explore collaborative engagements to build capability and amplify our influence
- Engage with the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) as an Alliance member or pilot tester as its framework develops, ahead of any decision to commit to formal disclosure alignment

> We will lead in two areas: creating an exceptional employee experience across a larger, more global organisation, and raising human rights standards through our investment activity.

3 Governance and Conduct

Govern for growth

As Gresham House grows across markets, our governance must evolve with it. We will build a clearer understanding of changing market dynamics and regulatory expectations, translate that understanding into group-wide guardrails and maintain clear accountability within our decentralised organisation.

Understand the environment

We will:

- Monitor regulatory and market developments across the UK, EU and US and assess their implications for our business, products and investments.
- Share regulatory insight and lessons across divisions so that emerging issues are understood and addressed early.
- Map the obligations arising from new markets, products and acquisitions, with clear ownership and implementation plans.

Build consistency

We will:

- Establish group-wide expectations for business conduct, ethics, conflicts of interest, regulatory compliance and public claims, supported by local requirements.
- Define named owners, controls and evidence for material obligations across entities and products.
- Embed proportionate Risk and Compliance review at product development, investment approval and publication.
- Provide training tailored to different roles, responsibilities and jurisdictions.

Learn and improve

We will:

- Strengthen speak-up and escalation routes so concerns and near misses are raised promptly.
- Review incidents and control weaknesses to identify root causes and apply lessons across the Group.
- Provide clear reporting to senior management and the Board on material risks, emerging requirements and areas requiring action.
- Ensure external disclosures and client communications are clear, accurate and supported by evidence.

4 AI and Technology

Innovate with control

AI and technology are increasingly supporting investment analysis, portfolio monitoring, reporting and operational delivery across Gresham House. Our double materiality assessment identified three priorities: AI and data ethics, cybersecurity and data resilience, and the governance of technology-enabled investment models.

> Our double materiality assessment identified three priorities: AI and data ethics, cybersecurity and data resilience, and the governance of technology-enabled investment models.

Our ambition is to capture the benefits of technology while protecting data, operational resilience and the integrity of investment decisions.

Responsible AI, human accountability

We will:

- Establish a Group-wide framework covering responsible use, data protection, privacy, human oversight and accountability across our entities.
- Introduce formal governance for material AI applications, including clear ownership, risk classification and incident escalation.
- Ensure material investment decisions remain subject to informed human judgement and approval.
- Apply relevant regulatory requirements as they become applicable to our activities.

Models we can trust

Investment teams use specialist technologies and models. We will develop a group-wide model risk framework requiring:

- Named ownership and a clearly documented purpose for each material model.
- Appropriate validation of data, assumptions, methodology and outputs.
- Transparent recording of limitations, overrides and material changes.
- Periodic review proportionate to the model's influence on investment decisions and valuations.

Secure and resilient technology

We will continue to strengthen cybersecurity and operational resilience through employee training, access and data controls, independent testing, incident-response exercises and oversight of critical third-party technology providers.

3 Governance

Governance

Governance framework for Sustainability

The Group Board retains ultimate oversight of sustainability-related risks and opportunities and their implications for long-term value creation. The Board considers these matters as part of its oversight of strategy, investment planning, risk management and performance. To support informed decision-making, the Board is regularly updated on sustainability matters and equipped with the knowledge needed through training and external expertise.

The Group Management Committee (GMC) ensures that sustainability is operationalised across the business, working closely with the Investment Committees, which have a direct responsibility at strategy and portfolio level, and review investment proposals to ensure sustainability is embedded into investment decision-making. GMC is supported by the Sustainability Executive Committee, while the Group Audit & Risk Committee, Remuneration Committee and AIFM Risk Committee provide oversight within their respective mandates.

Group Management Committee (GMC)

Ensures that sustainability is operationalised across the business

Sustainability Executive Committee

Supports GMC

Investment Committees

Direct responsibility at strategy and portfolio level, and review investment proposals to ensure sustainability is embedded into investment decision-making

Group Audit & Risk Committee

Remuneration Committee

AIFM Risk Committee

Provide oversight within their respective mandates

GOVERNANCE

Investment ownership and accountability

Investment teams have primary responsibility for integrating sustainability into investment decisions and managing material sustainability matters throughout the investment lifecycle. This includes:

- **identifying** material risks, opportunities, impacts and dependencies during screening and due diligence;
- **documenting** material findings and proposed management or mitigation actions in Investment Committee papers;
- **incorporating** relevant considerations into asset management, capital allocation and stewardship; and
- **monitoring** performance and escalating material issues through portfolio and risk governance processes.

Investment Committees provide formal decision-making and challenge. They review the sustainability analysis presented for proposed investments, consider whether material matters have been appropriately assessed and determine whether proposed actions are sufficient before approving an investment. Agreed actions remain the responsibility of the investment and asset management teams following investment.

This establishes a clear accountability chain: investment teams undertake the analysis and own implementation; Investment Committees challenge and approve the investment decision; and the Board and management committees oversee the effectiveness of the framework.

Sustainability Executive Committee

The Sustainability Executive Committee is the Group's cross-divisional forum for aligning and driving delivery of the sustainability agenda. Sponsored by a GMC member and chaired by the Director of Sustainable Investment, its membership brings together sustainability leads from Natural Capital, Energy Transition, Sustainable Infrastructure, Real Estate, Strategic Equity, Compliance and Risk, and our Institutional team including regional representation. The Committee:

- **aligns** Group priorities with divisional implementation plans;
- **promotes** consistent standards, methodologies and evidence across asset classes;
- **reviews** delivery against the GH30 Sustainability Strategy and Integrated Climate and Nature Strategy;
- **monitors** sustainability data, performance indicators, regulatory developments and delivery constraints;
- **shares** practical experience and good practice across the investment platform; and
- **escalates** material risks, incidents, resource constraints and reputational matters to the GMC.

The Sustainable Investment team acts as a centre of excellence and strategic enabler. It develops Group frameworks, methodologies and tools; provides technical expertise; supports consistent reporting; and challenges investment teams where further analysis or action is required.

This support does not transfer ownership away from the investment teams. Risk and Compliance provide second-line oversight and challenge, while investment teams remain the first line of responsibility for identifying and managing sustainability-related risks within their strategies and portfolios.

4 Risk

Risk Management

Effective risk management is a core component of our business strategy and corporate culture. The Group Board holds ultimate responsibility for risk management, including setting the Group's risk appetite, supported by the Group Audit Committee, which reviews risk management processes, challenges risk owners and oversees the effectiveness of the risk management framework.

Sustainability risk oversight

Sustainability risks, including climate and nature-related risks and opportunities, are integrated within this framework rather than managed separately.

"ESG and climate change" is designated a Level 1 strategic risk on the Group Risk Register, giving it Board-level visibility and a named senior risk owner.

Sustainability risks, including those linked to climate and nature, are formally assessed at four stages shown in the diagram.

Where a material sustainability risk is identified through any of these stages, it is escalated through the relevant divisional risk process to the AIFM Risk Committee and, where the risk is assessed as strategic, to the Group Audit Committee and the Board.

Stage 1

New product development

Assessed through the Group due diligence checklist, reviewed and approved by the Group Management Committee

Stage 2

Investment decision

ESG risks documented in the investment proposal, supported by our ESG Decision Tool and approved by the Investment Committee

Stage 3

Ongoing monitoring

ESG risks reviewed quarterly at portfolio meetings and by the AIFM Risk Committee

Stage 4

Annual stress testing

Long-term scenario analysis used to stress test climate-related risks, with results informing portfolio reviews

RISK

Integrated climate and nature assessment

Gresham House invests across real assets and equity strategies with investment horizons of up to 40 years. Long-duration investments are acutely exposed to systemic risks, particularly those arising from climate change, nature loss, and regulatory and market transition. Identifying, assessing and responding to these risks is a core investment competency.

Our combined climate and nature disclosures are structured in alignment with the TNFD LEAP (Locate, Evaluate, Assess, Prepare) approach. It provides group-wide consistency while allowing the assessment methods, indicators and management responses to reflect each asset class.

LEAP: Locate

Understanding the environmental characteristics and sensitivities of asset locations helps us identify interactions with ecologically sensitive areas and exposure to physical climate and nature-related risks.

For the first time, we have undertaken a portfolio-wide, location-specific assessment of climate and nature-related risks across our real assets, using the **WWF Biodiversity Risk Filter** and **Water Risk Filter** to identify environmentally sensitive locations and inform more targeted risk management and stewardship.

This year we have expanded the range of designated sites included in our assessment of location sensitivity to ensure coverage across the TNFD's five criteria for ecologically sensitive areas.

Ecologically sensitive areas	
1	High biodiversity importance
2	High ecosystem integrity
3	Rapid decline in ecosystem integrity
4	Importance for ecosystem service provision
5	High physical water risk

We assess these using the WWF Risk Filter indicators outlined below. A site is classified as a sensitive location where it scores high or very high (>3.4 on a 5-point scale) against one or more of the TNFD criteria.

Indicators

TNFD criterion	WWF indicators assessed
Areas of high biodiversity importance	▪ Protected/Conserved Areas ▪ Key Biodiversity Areas ▪ Wetlands of International Importance
Areas of high ecosystem integrity	▪ Ecosystem Condition
Areas of rapid decline in ecosystem integrity	▪ Land, Freshwater & Sea Use Change ▪ Forest Canopy Loss
Areas of importance for ecosystem service provision	▪ Natural & Cultural Resources[4]
Areas of high physical water risks	▪ Basin physical risk score

[4] This criteria does not currently include a dedicated measure of Indigenous Peoples' or Local Communities' land and territory rights. The **WWF Biodiversity Risk Filter**'s own documentation states that this data is not currently incorporated into the tool, and the relevant indicator returns no data for all locations assessed.

LEAP: Evaluate

A major advance in this year's assessment is the move from high-level, industry-average screening to a location-specific analysis of impacts and dependencies across our real-asset portfolios.

We applied the **WWF Biodiversity Risk Filter** and **Water Risk Filter** to 4,922 sites and units held at 31 December 2025 across Forestry, Energy Transition, Sustainable Infrastructure and Real Estate. This connects each asset's location and activity classification with local biodiversity and water conditions, providing a more granular view of where potential dependencies and impacts may be most significant.

How the assessment works

Each indicator is scored on a five-point scale. The score combines:

- **location exposure** – the biodiversity, ecosystem or water conditions surrounding the asset;
- **industry materiality** – the extent to which the relevant activity typically depends on or affects that aspect of nature; and
- **financial materiality** – the relative financial significance of the asset within the portfolio.

Asset-level results are aggregated into AUM-weighted portfolio scores, using a low, medium or high financial-materiality weighting based on the proportion of AUM represented.

These are screening scores, not measures of actual environmental impact or asset performance. A higher score indicates a greater potential dependency or impact exposure requiring closer examination. The results do not reflect asset-specific controls, mitigation measures or positive management activities already in place.

Score	WWF rating interpretation
1.0-1.8 **Very low**	Limited potential exposure
>1.8-2.6 **Low**	Lower potential exposure
>2.6-3.4 **Medium**	Potentially material exposure
>3.4-4.2 **High**	Elevated potential exposure
>4.2-5 **Very high**	Highest potential exposure

Indicators assessed

The assessment draws on 25 biodiversity- and water-related indicators covering the ecosystem services on which assets may depend and the pressures their activities may place on nature.

Indicators

Assessment area	WWF indicators
Provisioning-service dependencies	Forest productivity and distance to markets; limited wild flora and fauna availability; limited marine fish availability
Regulating and supporting dependencies	Soil condition; air quality; ecosystem condition (degraded); pollination
Natural-hazard mitigation	Landslides; wildfires; disease; herbicide resistance; extreme heat; tropical cyclones
Cultural-service dependencies	Natural and cultural resources
Water-related dependencies	Flooding; water availability; drought; water quality; water accessibility; ecosystem-services status
Pressures on biodiversity	Land, freshwater and sea-use change; forest canopy loss; invasive species; pollution
Pressures on freshwater	Pressures on freshwater ecosystems

Not every indicator is material to every activity. Indicators are screened according to the relevant WWF industry classification, allowing each portfolio assessment to focus on the dependencies and impacts most relevant to its underlying assets.

Portfolio-level insight

For each real-asset strategy, the report presents:

- overall biodiversity and water scores;
- the distribution of assessed indicators across the five WWF rating bands;
- results by country, region or asset sub-sector; and
- an AUM-weighted portfolio score for each material indicator.

LEAP: Assess

We assess how identified climate- and nature-related factors could affect asset resilience, financial performance and long-term value. This includes:

- portfolio-wide climate scenario analysis across multiple temperature pathways to 2050;
- asset-level assessment of physical climate exposure;
- consideration of transition, regulatory, market and ecological risks; and
- identification of opportunities arising from climate solutions, nature-based solutions, resource efficiency and more resilient products and services.
- Each asset-class section presents the material risks and opportunities identified, their potential impacts and time horizons, and the indicators used to monitor them.

We assess physical risk across two categories: acute risk, arising from discrete extreme events, and chronic risk, arising from longer-term environmental shifts. The acute and chronic hazards included in our assessment of physical risk are set out below.

Indicator type	WWF indicators assessed
Acute hazard	Landslides, Wildfires, Tropical Cyclones, Flooding, Extreme Heat
Chronic hazard	Drought, Water Availability, Disease

Scenario analysis

We recognise that future climate conditions will materially affect both the risk profile and performance of our investments, as well as present and future opportunities aligned with the transition to a low-carbon economy. We assess physical risk using a consistent set of climate scenarios across two complementary approaches: portfolio-wide exposure analysis, in place since 2024, and asset-level financial quantification, which we began piloting on 2025 assets. Both draw on the same Shared Socioeconomic Pathways (SSPs).

Although most climate scenarios do not fully account for potential changes in the state of nature, we nevertheless recognise that many physical hazards are inevitably a result of both a warming climate and accelerated nature loss. We therefore consider our physical risk analysis to be relevant from both a climate and a nature perspective and plan to enhance this analysis in the future by expanding our scenario selection to also include nature scenarios.

Low emissions **SSP1-2.6**	Low challenges to mitigation and adaptation (end-of-century temperature rise of <2°C), referred to as the "below 2°C" scenario.
Intermediate emissions **SSP2-4.5**	Middle of the road (end-of-century temperature rise of 2.7°C), referred to as "business-as-usual" scenario for temperature, precipitation and wind speed.
High emissions **SSP3-7.0**	High challenges to mitigation and adaptation (end-of-century temperature rise of 3.6°C), referred to as "business-as-usual" scenario for water stress.
Very high emissions **SSP5-8.5**	Worst-case, fossil-fuelled scenario (end-of-century temperature rise of 4.4°C), referred to as the "worst case" scenario.

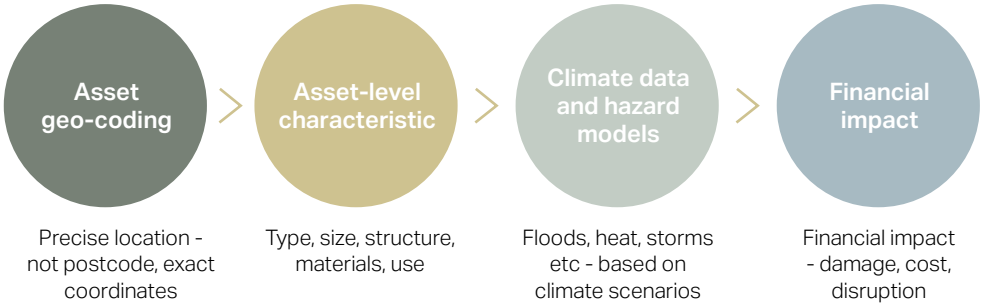
Portfolio-wide exposure analysis

We use scenario analysis to assess portfolio-wide exposure to water stress, temperature, precipitation and wind through to 2050. Drawing on an ensemble of climate models, the analysis identifies the proportion of assets within each strategy expected to experience a material change under different climate scenarios.

We refreshed the analysis in 2025 and expanded our Real Estate coverage to include Irish operations. Rising temperatures remain the most consistent portfolio-wide finding, with the scale of warming increasing under more severe scenarios. Water stress varies across scenarios, reflecting the socioeconomic assumptions embedded in each SSP rather than climate variables alone.

The refresh also incorporated methodological refinements to improve the accuracy of asset location matching and the resulting projections. Changes from previously reported precipitation and wind results should therefore be considered in the context of the updated methodology.

Asset level financial impact



We have taken the next step: evolving from identifying where climate hazards are likely to change, to quantifying what they could cost. We expanded our capability to introduce asset level financial quantification of physical climate risk by onboarding a specialist climate risk analytics platform Climate X. It models Average Annual Loss (AAL), the probability-weighted cost of climate-related damage an asset can expect to face over time and, where relevant, a costed adaptation measure with an associated return on investment. Hazards are rated from A (low risk) to F (high risk), based on factors such as the potential severity of the risk, the likelihood of its occurrence, and the effectiveness of any controls in place.

We piloted this capability on three assets held within our portfolio during 2025, across Real Estate, Energy Transition and Sustainable Infrastructure, to test and refine our approach ahead of wider rollout. Each asset was assessed across the full range of SSP scenarios used in our portfolio-wide analysis; for consistency, we present results against SSP3-7.0 throughout this report, reflecting current global policy trajectories. All three pilot assets received an overall Physical Risk Rating of A, both today and through to 2040. In two cases, this sat alongside individual hazards rated E or F, the most severe risk rating.

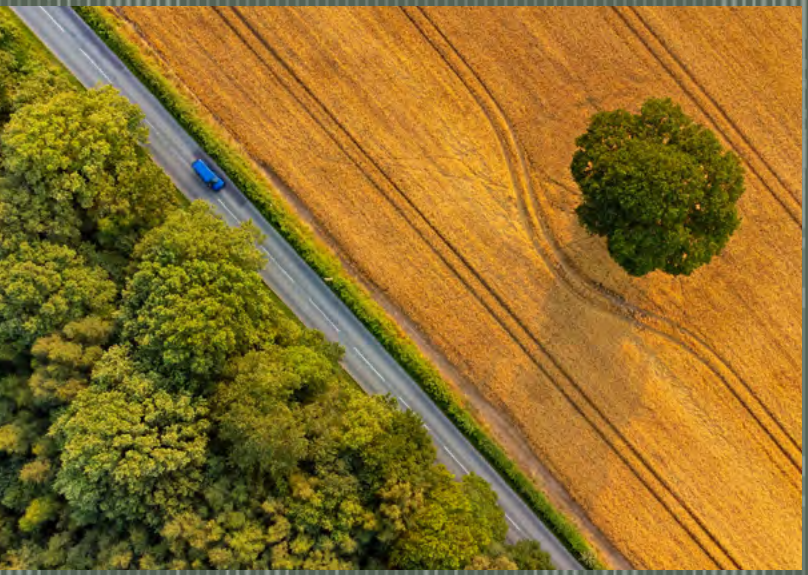
Quantifying loss in this way lets us prioritise where attention is actually warranted based on financial exposure and evaluate the costs and benefits of potential adaptation measures.

Detail on each pilot is set out in the Real Estate, Energy Transition and Sustainable Infrastructure sections. Our Forestry team's proprietary geospatial climate risk tool is also described in the Forestry section.

LEAP: Prepare

Assessment findings inform investment decisions, asset management and stewardship actions. Depending on the asset class and our level of influence, responses may include:

- incorporating mitigation measures into due diligence and investment approvals;
- adapting asset management plans, forest designs or operating practices;
- prioritising resilience measures and capital expenditure;
- engaging with portfolio companies, managers, suppliers and other stakeholders; and
- monitoring relevant climate- and nature-related indicators and escalating material risks through the Group's governance framework.



5 Forestry

Natural Capital

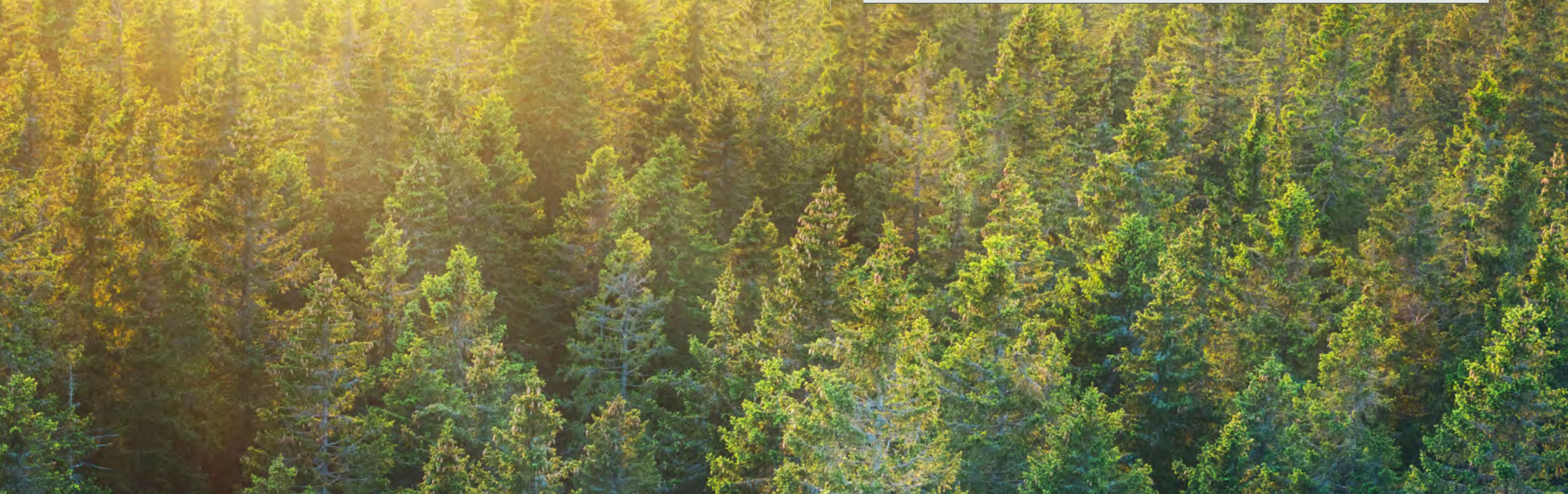
Forestry

Forestry can contribute to climate mitigation and nature recovery while supplying renewable materials and supporting long-term investment returns. Our approach seeks to balance the productive use of forests with carbon storage, ecological resilience and responsible land management.

Gresham House is the seventh largest commercial forestry manager globally by value and the largest in the UK, with £3.7bn of forestry AUM as at 31 December 2025 across the UK, Ireland, Northern Europe and Australasia. Our stewardship of these assets is underpinned by the Gresham House Forest Charter, our publicly committed, independently verifiable standards covering climate, biodiversity, community engagement and forest certification, enforced through ongoing engagement with forest managers, certification bodies and regulators.

Real world outcomes

Metric	2024	2025
Trees planted (mn)	8.1	12.5
Of which new planting (mn)	1.9	2
Total carbon sequestered (mn tCO_2e)	2.2	2.4
Carbon stock (mn tCO2)	53.8	56.1
Area of forest land certified to a third-party forest management standard (%)	87	94
Forest land managed with biodiversity as the primary objective (%)	23	26



FORESTRY

How sustainability is embedded

Climate, nature and wider sustainability considerations are integrated throughout the forestry investment lifecycle. We are committed to certifying all forests held within discretionary managed funds under internationally recognised sustainability standards, including the Forest Stewardship Council® (FSC®), Programme for the Endorsement of Forest Certification (PEFC) or equivalent local standards. These 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.

Sourcing

We identify high-quality commercial forests across diversified age groups, sourcing both on and off market. We assess a range of characteristics including geographical location, species composition, size, forest growth rates, and conservation or species protection designations. For afforestation projects, we conduct detailed surveys to ensure the land is appropriate for forestry.

Due diligence

The acquisition team conducts a rigorous, multi-disciplinary due diligence process. We use our ESG Decision Tool to evaluate each forest for material ESG risks and opportunities and to assess alignment with our sustainability objectives, including the potential for third-party certification under international and/or national standards.

We aim to carry out site visits to verify that the due diligence assessment aligns with the data collected onsite. Third party specialists are often employed to measure the volume of timber currently available on site or to prepare an indicative forest design. Additional surveys will be completed for new planting schemes to assess characteristics including bird populations, archaeology sites and peat levels.

Acquisition

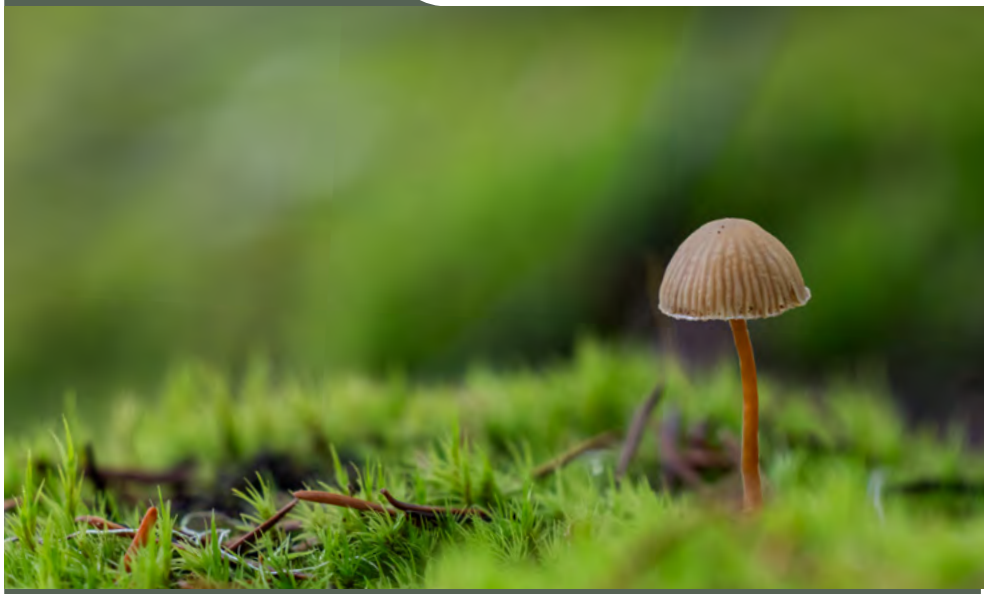
All Investment Committee submissions include a summary of ESG findings. Once an investment is approved, an offer is submitted. If the offer is accepted, a comprehensive acquisition report, including an ESG section, is shared with clients. Concurrently, legal due diligence, including title verification, is carried out by appointed legal counsel.

Ongoing management

We work closely with forest managers to ensure forest management plans are implemented in line with our sustainability commitments. These plans include detailed approaches to managing material ESG aspects throughout the life of the investment.

All certified sites undergo independent audits by accredited bodies. In addition, we conduct internal audits to assess performance against the Forest Charter, certification standards, and our own management objectives.

Forestry Highlights



Advancing climate risk analysis

Developed proprietary geospatial modelling to assess climate hazards and species suitability under future climate scenarios.

Testing the next generation of biodiversity monitoring

Trialled bioacoustic sensors, automated insect monitoring and digital vegetation surveys to assess biodiversity at lower cost.

Building the evidence for rainforest restoration

Evaluated Atlantic rainforest restoration options, **bringing ecological outcomes and financial implications into a single assessment.**

Case study

Griffin woodland carbon capture

Context

Griffin Forest Complex

Standing carbon stock
2,600,000 tCO_2e

Forecast to sequester
55,000 tCO_2e over the next 12 months

The Griffin Forest Complex holds a standing carbon stock of approximately 2,600,000 tCO_2e, forecast to sequester a further 55,000 tCO_2e over the next 12 months. Within the estate, a previously open area has been the focus of a new native woodland creation project, designed as an irregular, naturalistic woodland mosaic that retains open ground and varies planting density to avoid a uniform woodland edge.

Activity

Investing in future woodland

Approximately 12.7 hectares of net native woodland were planted, with species mixes matched to site conditions to build a diverse woodland structure. Alongside this, the wider restructuring programme is restocking the estate with improved planting stock selected for vigour, resilience and timber quality, supporting long-term productivity, carbon capture and higher-value timber output.

Approximately 12.7 hectares of net native woodland were planted

Outcome

Building value for climate and nature

The woodland creation project is forecast to sequester 4,719 tCO_2e over 65 years and could generate Woodland Carbon Code carbon credits following independent verification, while improving habitat value, ecological connectivity and landscape amenity. Combined with responsible harvesting and restocking across the estate, the approach positions the forest to contribute both to climate change mitigation and to the long-term supply of sustainable, carbon-storing construction materials.

Contribution both to climate change mitigation and to the long-term supply of sustainable, carbon-storing construction materials.

Integrated climate and nature assessment

Productive forests, when managed sustainably, can be considered both a climate and a nature solution: they capture carbon in the soil and their biomass as they grow, both mitigating climate change and supporting nature recovery as they do so. Furthermore, their timber provides a lower-carbon alternative to traditional carbon-intensive materials such as steel and concrete, whilst the forests themselves also provide key habitats for a range of species.

At the same time, forestry assets are exposed on both fronts: their long-term investment horizon and dependency on a stable climate for survival and growth make them vulnerable to climate change, while the provisioning of timber products and value of the land are inherently tied to the condition of the ecosystems present.

Identifying and integrating both climate and nature-related risks and opportunities throughout the investment process is therefore essential to our forestry strategy.

1 Locate sensitive assets

In 2025, we applied the **WWF Biodiversity Risk Filter** and **Water Risk Filter** to 522 forestry sites held at 31 December 2025 across the UK, Ireland, Australia and New Zealand. This strengthened the initial proximity analysis undertaken through our first TNFD-aligned LEAP assessment in 2024.

The WWF Risk Filters combine site location, industry materiality and financial materiality into a single scored assessment, giving explicit coverage of the criteria set out by the TNFD for identifying ecologically sensitive areas. This analysis helps us to better understand where and how management attention should be focused.

Every Forestry site sits within or near at least one TNFD-defined sensitive location, most commonly due to proximity to areas of high biodiversity importance or areas of rapid decline in ecosystem integrity. As land-based assets, our forests are frequently sited in rural areas so a high degree of proximity to areas of conservation value across the portfolio is unsurprising. Furthermore, a large proportion of our forestry assets are located in the UK, currently recognised as one of the most nature-depleted countries in the world[5], which explains the low proportion of sites located in or near areas of high ecosystem integrity.

New Zealand forests met more sensitive location criteria than forests in the other countries assessed, reflecting the greater proportion of sites near areas of high ecosystem integrity. This reinforces the importance of native species retention, buffer management, and landscape connectivity. In the UK, the nature-depleted baseline highlights an opportunity for our forestry holdings to contribute to nature recovery through continued restoration work.

GH global forests meeting TNFD sensitive location criteria

TNFD criterion	% of Forestry sites
Areas of high biodiversity importance	100%
Areas of high ecosystem integrity	29%
Areas of rapid decline in ecosystem integrity	99%
Areas of importance for ecosystem service provision (natural & cultural resources)	0%
Areas of high physical water risk	0%

2 Evaluate impacts and dependencies

Dependency and impact exposure across the Forestry portfolio was assessed using the **WWF Biodiversity Risk Filter** and **Water Risk Filter**, covering all assets held as at 31 December 2025. These are screening scores designed to flag where closer examination may be needed, not measures of actual environmental impact or asset performance. A higher score means greater potential exposure worth investigating, helping direct management attention to where it matters most. The results do not reflect asset-specific controls, mitigation measures or positive management activities already in place.

Forestry's principal dependencies are the ecosystem services that support tree growth, forest health and timber yield. Biodiversity-related dependencies received an AUM-weighted score of 3.65 out of 5 across the portfolio, reflecting dependencies including soil condition and protection against wildfire, pests and disease.

Water-related dependencies and flood risk, assessed at the water basin level, were more varied. Water scarcity was assessed as a relatively limited concern across current holdings, while flooding and the condition of surrounding water-linked ecosystems were more material. This makes flood resilience and riparian habitat management the more relevant areas of ongoing focus for the forestry portfolio.

Forest canopy loss scored 4.27 out of 5, primarily reflecting planned harvesting activities inherent to productive forestry rather than permanent forest loss. Our sustainable forest management practices, including replanting, diverse-age forest structures and FSC or PEFC certification, support long-term forest health and resilience.

[5] State of nature main report

Impact & Dependency Screening

Forestry

Biodiversity score **3.65** / 5

Water score **2.18** / 5

Scores are AUM-weighted averages (using a low/medium/high financial materiality rating based on % AUM) across all 522 Forestry sites and geographies. 3 of 25 indicators considered are screened out as not material.

Distribution across all 22 assessed indicators (WWF band classification)

14%	9%	27%	45%	5%
Very low 3 (14%)	Low 2 (9%)	Medium 6 (27%)	High 10 (45%)	Very high 1 (5%)

Rows below include only indicators scoring medium or above.

Dependencies

	UK	Ireland	Australia	New Zealand	AUM-weighted (all assets)
Provisioning services					
Forest Productivity & Distance to Markets	3.98	3.80	3.06	3.05	3.91
Regulating & supporting (enabling)					
Soil Condition	3.16	3.18	3.44	3.05	3.16
Air Quality	3.02	2.96	2.52	2.81	2.99
Ecosystem Condition (degraded)	3.76	3.83	3.73	3.37	3.75
Pollination	3.98	3.35	4.20	3.27	3.91
Regulating (mitigating)					
Landslides	3.16	2.92	2.88	3.57	3.14
Wildfires	3.78	3.51	4.44	3.62	3.77
Disease	3.48	3.09	4.18	3.04	3.45
Herbicide Resistance	4.00	3.00	4.50	3.50	3.90
Extreme Heat	3.00	3.00	3.50	3.00	3.01
Tropical Cyclones	3.74	3.77	3.00	3.45	3.72
Water Risk Filter categories					
Ecosystem Services Status	3.22	2.56	3.37	3.10	3.16
Flooding	3.00	2.70	1.76	2.61	2.93

Impacts

	UK	Ireland	Australia	New Zealand	AUM-weighted (all assets)
Pressures on biodiversity					
Land, Freshwater & Sea Use Change	3.85	3.61	3.67	3.22	3.81
Forest Canopy Loss	4.30	3.88	4.56	4.38	4.27
Invasives	4.00	3.50	4.00	3.50	3.94
Pollution	3.93	4.10	3.78	3.80	3.94

[1] Indicators with an AUM-weighted score below medium (<2.6) include: Water Availability, Drought, Water Quality, Water Accessibility (dependencies) and Pressures on Freshwater (impact). This threshold applies to the AUM-weighted (all assets) score; individual country figures may fall below it even where the row qualifies.
[2] Where an indicator is scored by both tools (Flooding, Water Availability, Water Quality), the Water Risk Filter score is shown as the more accurate measure.

Scores are screening outputs, not measures of actual environmental impact or asset performance; see the preceding page for interpretation of results.

3 Assess risks and opportunities

Scenario analysis

To understand how the exposure of our portfolio varies across climate scenarios, we refreshed our portfolio-wide physical climate risk analysis across our real asset strategies. The proportion of forestry area under management expected to experience a material change in each climatic variable by 2050 is shown below.

Asset level climate risk assessment

Pre-investment due diligence includes an assessment of climate-related risks such as extreme weather events and wildfire exposure. For UK assets, this draws on the **Ecological Site Classification (ESC)** Tool, developed by Forest Research, which generates species suitability maps used to inform forest design, including species selection and planting layout, under future climate projections.

For assets outside the UK, in 2025 our International Forestry team advanced its approach to physical climate risk by developing a proprietary geospatial climate screening tool. As shown on the following page, the tool combines high-resolution climate data with species-specific climatic tolerances to model how suitable a prospective site is likely to remain for a given tree species under future climate scenarios aligned with IPCC emissions pathways, generating hazard-specific and aggregated suitability scores used to screen assets ahead of acquisition. By using high-resolution (~1km) geospatial datasets, the tool not only captures suitability at the asset level but also variation in suitability within a given prospective asset boundary. This provides key insights that can be used to inform forest design, species selection and, over time, capital allocation decisions.

We see this as an important complement to our portfolio-wide exposure analysis: rather than characterising how hazards are likely to change across the portfolio as a whole, the tool evaluates the climatic suitability of individual sites against the specific tolerances of a given species, capturing a dimension of risk that generic hazard exposure metrics cannot.

Portfolio-wide climate scenario analysis

	Below 2°C	Business-as-usual	Worst case
Water stress	1%	1%	1%
Precipitation	0%	0%	0%
Temperature	30%	95%	100%
Wind	0%	0%	0%

Geospatial climate screening tool

Risk Model Inputs

Model inputs are high resolution (~1km) geospatial datasets representing key climatic indicators of physical climate risk to forestry assets (drought stress, frost/cold stress and heat stress).

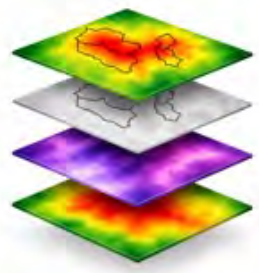
The datasets cover a range of climate variables using CMIP6 projections for 2041-2070 based on IPCC-aligned scenarios SSP1, SSP3 and SSP5.

Climate Hazard Modelling

Species-specific climatic tolerance thresholds are modelled to translate climate variable inputs into spatial suitability surfaces.

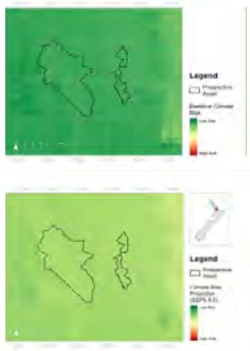
Exposure Mapping

Asset boundaries are intersected with composite suitability surfaces to derive site-level vulnerabilities to climate hazards.



Asset-level Risk Map Output

Spatial outputs quantify and visualise changes in climatic suitability of a prospective asset under different emissions scenarios.



Map outputs shown are for illustrative purposes only and do not represent an actual asset

Case study

Invasive species management and biodiversity enhancement

Context

Active management of invasive species is vital to maintaining ecosystem health

Throughout the year, Gresham House has focused on enhancing asset value across its forest portfolio, including conserving biodiversity and improving long-term resilience through the targeted removal of non-native and invasive plant species. Of the 2,000+ non-native plant species introduced to the UK, around 10% have become invasive, threatening biodiversity by out-competing native vegetation, spreading disease and disrupting ecological balance.

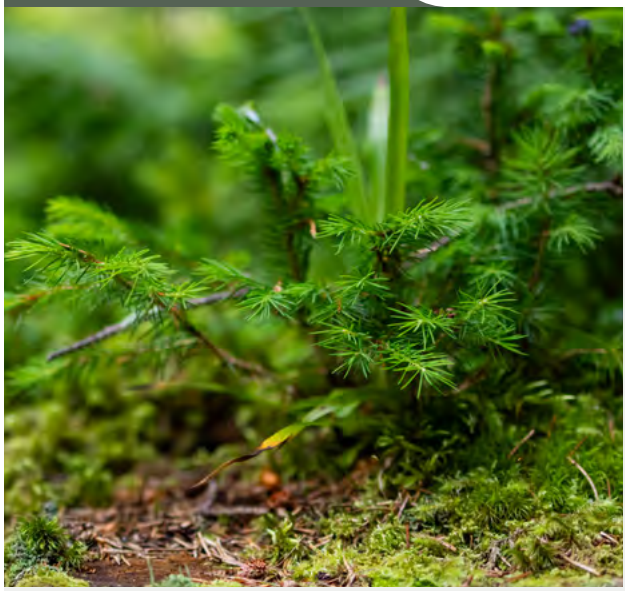
Activity

This year's work included rhododendron clearance in South Scotland, Ragwort treatment to address both its invasive spread and toxicity to livestock, and Giant Hogweed removal in a forest in Central Scotland, as part of an annual programme of targeted invasive species removal.

Rhododendron clearance in South Scotland

Giant Hogweed removal in Central Scotland

Outcome



Protecting young tree establishment, conserving native flora and fauna, and increasing the resilience of the forest

The proactive intervention protects young tree establishment, conserves native flora and fauna, and increases the resilience of the forest including reducing wildfire risk, since some invasive species smother young trees and provide highly combustible ground fuel supporting Gresham House's biodiversity and ecology commitments across all forests under management.

Climate and nature risks and opportunities: Forestry

Risk and Opportunity	Risk: Policy and legal	Risk: Physical	Risk: Ecological sensitivity	Risk: Market	Opportunity: Products and services	Opportunity: Carbon and nature markets
Description	Regulation leading to species restrictions and diverse planting requirements	Increased frequency and intensity of extreme weather events such as fires, storms and floods	Proximity to ecologically sensitive areas, including protected areas, Key Biodiversity Areas and threatened species habitats	Decline or volatility in timber and carbon prices affecting revenue	Demand for new sustainable timber products	Growing demand for high-integrity, nature-based carbon removals and biodiversity credits
Likelihood	Medium	Medium	Medium	Medium	Medium	Medium
Potential impacts	Increased costs, reduction in revenues	Damage to existing assets, reduction in revenues	Potential biodiversity impacts, and associated reputational or regulatory risk	Reduction in revenue, decreased asset valuations	Increase in revenue and diversity of income	Increase in revenue and diversity of income through carbon and biodiversity-related revenue streams
Time horizon	Medium-term	Long-term	Medium-term	Short- & Medium-term	Short- & Medium-term	Short- & Medium-term
Divisional commentary	We play a very active role in engaging with governments and the local community on such issues. We only operate in geographies with strong legal systems that support land-based investments with stable political systems to support our long-term investment horizon.	Forests are planned and managed to enhance their resilience to climate change, including through the diversification of geography, species, age and end-product use. We make use of modelling to select sites where current and future climates are supportive of the growing of softwood timber.	Assessed through GIS analysis as part of due diligence and reflected in management plans. Engagement with regulators and communities helps ensure planting and management decisions reflect local ecological priorities.	Timber and carbon prices are factored into our asset valuations, and price risk is further managed through diversification of geography and species across the portfolio, reducing reliance on any single market or product.	We recognise the importance of homegrown timber to improve natural resource and reduce dependence on imports. Strategy aligns with national goals to increase tree cover and the promotion of timber as a low-embodied-carbon material for building construction.	Division constantly exploring new revenue diversification opportunities. Natural capital services increasingly understood, valued and regarded as viable climate solutions.
Examples KPI/ trends to monitor	• Forest composition • # community engagements • # biodiversity assessment • Public access to forests	• Long-term climate projections • Rainfall/temperature patterns • Windblow and fire insurance events	• % of sites classified as sensitive locations • Average number of sensitivity criteria triggered per site	• Timber price index • Carbon price projections • Revenue mix between timber and carbon income	• UK and global timber demand • Revenues from forestry assets • Forest land certified to a third-party forest management standard	• Revenue mix • Diversity of forestry assets • Carbon sequestered (tCO_2e) • Standing carbon stock (tCO_2e)

4 Prepare and implement

Our assessment informs investment decisions, forest management plans, stewardship priorities and performance monitoring. We monitor implementation through forest management plans, engagement with forestry managers, Forest Charter KPIs and independent certification audits. Management actions include:

- Carbon management: measuring and reporting carbon stored in standing stock and sequestered by forests; managing the long-term carbon stock and, where possible, increasing carbon sequestration over the period under management.
- Climate resilience: diversifying geography, species, forest age and end product use, supported by site level wildfire, water and extreme weather management.
- Ecological management: retaining appropriate deadwood and mature trees, protecting native habitats, using varied harvesting approaches where suitable and supporting connectivity with the wider landscape.
- Protection of high carbon and sensitive land: avoiding the conversion of high carbon stock land for afforestation, except where consistent with local regulatory requirements.

In 2025, we refined our forestry carbon accounting methodology to include nursery emissions, expanding Scope 3 coverage and resulting in a 3.3% increase in reported emissions.

Climate and nature-related KPIs that are monitored include:

	Metric	2024	2025
Climate	Scope 1 & 2 emissions (tCO_2e)	40,082	41,402
	Scope 3 emissions (tCO_2e)	291,012	300,589
	Carbon intensity (tCO_2e/£m invested)	98	101
Nature	Forest land managed with biodiversity as the primary objective (%)	23	26
	Area of forest land allocated to single species (%)	58	59
	Area of forest land allocated to natural reserves and native species (%)	7	7
	Area of ancient woodland from Plantation Ancient Woodland Site (PAWS) (%)	0.8	1.8

Engagement

Gresham House continues to take an active leadership role, with members of the team holding a number of influential roles and engaging with policymakers, industry groups, and stakeholders across the forestry sector. In 2025, we:

- submitted evidence to the Scottish Parliament's Net Zero, Energy and Transport Committee on the implications of proposed lotting mechanisms under the Land Reform Bill for large scale forestry investment
- contributed to consultation responses on the integration of greenhouse gas removals into the UK Emissions Trading Scheme, advocating for the inclusion of productive forestry.

We also contribute to sector development through:

- **Confor, the industry association for sustainable forestry in the UK:** Our Managing Director, Forestry, Olly Hughes, sits on the Advisory Board to support the strategic direction of Confor's work programme and provide advice on arising matters.
- **International Sustainable Forestry Coalition (ISFC):** Gresham House is a board member of this global alliance of 15 forestry managers with a presence across 35 countries. The coalition promotes the role of sustainable forest management in advancing climate, nature, biodiversity, and social objectives. We contribute through participation at key global events such as COP and Climate Week.
- **The Forest Industry Safety Accord (FISA):** We are represented on the Landowner and Forest Works Manager Working Groups, working to raise the standard of health, safety, and welfare in forestry management.

At asset level, we undertake public consultation where new woodland involves a change of land use, keep communities informed of significant forestry operations and seek to address legitimate concerns.

Case study

Atlantic rainforest

Restoration feasibility assessment

Context

In 2025, Gresham House undertook a ten month feasibility assessment of Atlantic rainforest restoration across a non-discretionary UK forestry portfolio, following a client objective to explore opportunities to improve biodiversity and ecological function within its holdings. The portfolio includes a significant footprint in west Scotland, within a bioclimatic zone favourable to temperate rainforest, a globally rare habitat covering less than 1% of the world's land surface.[6]

[6] https://climate.leeds.ac.uk/news/climate-change-threatens-rare-temperate-rainforests/

Activity

Gresham House assembled a project team of portfolio managers, natural capital practitioners, forestry managers and a specialist ecological restoration consultancy, who reviewed the client's holdings against UK nature priorities, identified nationally important habitat types with restoration potential, and assessed the ecological, practical and financial dimensions of intervention across a range of candidate sites.

Reviewing the client's holdings against UK nature priorities

Outcome

Intervention options each evaluated against achievable ecological and biodiversity outcomes

The assessment produced a suite of intervention options for the client, each evaluated against achievable ecological and biodiversity outcomes, scope for improving landscape connectivity and reducing habitat fragmentation, and the financial implications of reducing or diversifying productive forestry areas.

Case study

Advancing biodiversity monitoring in productive forestry

Context

A further phase of biodiversity work in 2025

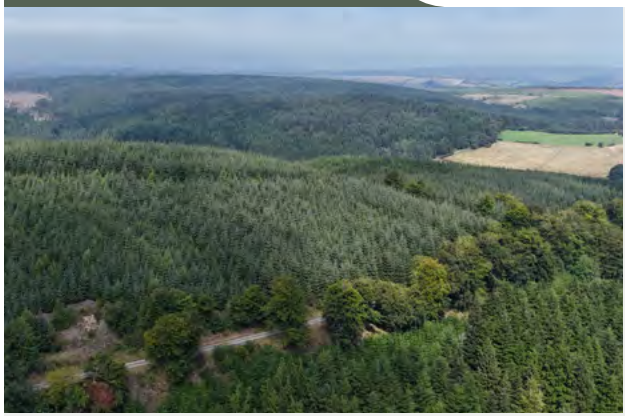
Following an initial 2024 trial using the Wallacea Trust Methodology, which produced encouraging but preliminary findings, Gresham House undertook a further phase of biodiversity work in 2025 to test whether the observed patterns were robust enough to inform changes in management practice and whether the approach could be scaled cost-effectively across the portfolio.

Activity

The Forestry fund management team worked with Renew Earth (formerly the consulting arm of rePLANET) on two parallel workstreams: in-depth statistical analysis of the original pilot datasets, testing hypotheses on how biodiversity was distributed across habitat types and between contrasting site types (a mature forest undergoing felling and restructuring, and farmland planned for afforestation); and a new biodiversity baseline survey at a mature forest in a different UK bioclimatic zone, trialling lower-cost, technology-enabled surveying methods including bioacoustic bird monitors, automated invertebrate trapping stations and smartphone based quadrat surveys for floristic diversity.

Trialling lower-cost, technology-enabled surveying methods including bioacoustic bird monitors

Outcome



The technology-enabled methods matched traditional techniques at lower cost

The evidence review found that young, productive coniferous forestry supports high levels of biodiversity across multiple taxonomic groups in some cases comparable with or higher than non-forest habitats in south Scotland and identified biodiversity value in previously unmapped habitats within managed forestry estates. The technology-enabled methods matched traditional techniques at lower cost per unit area, though scaling across large portfolios remains a challenge. The findings strengthen the evidential basis for proactive biodiversity management in productive forests, with expanding the geographic range of sampling identified as the next step before translating the insights into portfolio-wide practice.

6 Energy Transition

Real Assets

Energy Transition

The global energy transition is one of the most significant and durable infrastructure investment opportunities of the coming decades: a fundamental long-term shift in capital allocation driven by the need for sustainable electrification, the rapid scaling of renewable generation and the increasing requirement for system flexibility.

Our Energy Transition division supports the shift away from finite resources by harnessing capabilities across flexible clean energy, battery storage, energy efficiency and electrification, focused on sustainable, transformative technologies that we believe offer the potential for strong financial returns while supporting the transition to a more sustainable world.

Real world outcomes

Metric	2024	2025
Renewable energy generation (GWh)	584	601
Equivalent homes powered[7]	180,253	180,881
Operational battery energy storage capacity (MW)	845	1,072
Operational battery energy storage capacity (MWh)	1,207	1,702
Estimated emissions avoided by renewable assets (tCO_2e)	255,138	269,279
Estimated emissions avoided by BESS assets (tCO_2e)	596,764	336,268
Community benefit fund contributions (£)	589,530	638,620
Renewable assets with habitat management plans (%)	91	88

[7] Assuming an average annual electricity usage per household of 3.3MWh, as quoted by DESNZ December 2025. "Homes powered" calculated using Renewable UK methodology: MWh divided by average annual domestic electricity consumption.

This table only applies to Energy Transition UK.

ENERGY TRANSITION

How sustainability is embedded

Sustainability considerations, including climate and nature, are integrated throughout the investment lifecycle outlined below:

Preliminary due diligence

During the origination phase, material ESG risks are identified for further investigation during the due diligence stage. Investments are screened for alignment with the Energy Transition strategy's sustainability objectives including contribution to decarbonisation and alignment with UK policy and net zero goals. If certain risks are unlikely to be manageable or mitigated, then we may choose not to proceed at this stage.

Due diligence

At the due diligence stage, sustainability risks and opportunities are assessed using our ESG Decision Tool tailored to energy infrastructure. Factors assessed include exposure to physical climate risks and supply chain risks. Where appropriate, independent technical and environmental assessments are commissioned to inform decision-making.

Investment appraisal

Investment recommendations to Investment Committees include an assessment of material ESG risks and opportunities identified in due diligence which are then factored into the decision-making process. Appropriate risk mitigation approaches will also be referenced and assurance that the business is open to making improvements is sought.

Asset management

We aim to construct and operate our projects with minimal disruption to local communities and the environment. Construction and operational contractors are subject to ongoing review and the requirement to manage material ESG risks is included in contract terms. Planning conditions are strictly adhered to and monitored. We continue to assess how we can enhance positive environmental and social impacts of our projects.

Energy Transition Highlights

Green Economy Mark

GRID holds the Green Economy Mark from the London Stock Exchange

Outstanding Achievement

Ben Guest, Managing Director, UK Energy Transition was awarded the **"Outstanding Achievement" award at the 2025 Energy Storage Investment Awards**

GRID surpassed

1GW

of operational battery energy storage capacity, with operational capacity rising **27%** year on year

Best Sustainability Trust

GRID was awarded **Best Sustainability Trust** by UK Investor Magazine in 2025.

Integrated climate and nature assessment

Our Energy Transition strategy is explicitly designed to support decarbonisation and net-zero ambitions by investing in renewables and enabling technologies such as energy storage systems (ESS).

We are directly targeting the following:

- **Wind:** investments in onshore wind assets. Wind was the UK's largest source of electricity generation in 2025 for the second year in a row, accounting for 30% of the mix[8].
- **Solar:** investments into ground mounted and rooftop solar projects, supporting the UK's growing solar capacity. In 2025, solar accounted for around 7% of UK electricity, nearly a third more of the UK's electricity than it was in 2024[9].
- **Battery storage:** investments in battery energy storage systems designed to benefit from the opportunities presented by the transition to renewable energy technologies, whose generation is inherently intermittent, creating a need for storage to balance supply and demand and stabilise the network.
- **Co-located renewable energy assets with battery energy storage:** we are increasingly identifying opportunities for solar and wind assets to be collocated with battery energy storage systems, supporting a cost-effective energy transition and improving risk adjusted returns potential for investors.

Our renewable and energy storage assets are indirectly dependent on healthy ecosystems for the regulation of climate conditions needed to generate electricity from wind and solar, and the mitigation of hazards such as flooding or extreme heat. The impacts of our assets are considered from the beginning of their development, with Environmental Impact Assessments required by law for new infrastructure projects and any material impacts identified requiring mitigation before a project can proceed.

We also identify and integrate both climate and nature-related risks and opportunities throughout the investment process.

1 Locate sensitive assets

In 2025, we applied the **WWF Biodiversity Risk Filter** and **Water Risk Filter** to all 58 sites held at 31 December 2025. This strengthened the initial proximity analysis undertaken through our first TNFD-aligned LEAP assessment in 2024.

91.4% of Energy Transition sites sit within or near at least one TNFD-defined sensitive location. This was driven predominantly by proximity to protected or conserved areas, Key Biodiversity Areas, or Wetlands of International Importance.

Sensitive locations are reported as a percentage of individual sites, since ecological sensitivity reflects where an asset sits rather than its financial size.

Energy Transition sites meeting TNFD sensitive location criterion

TNFD criterion	% of Energy Transition sites
Areas of high biodiversity importance	91%
Areas of high ecosystem integrity	0%
Areas of rapid decline in ecosystem integrity	3%
Areas of importance for ecosystem service provision (natural & cultural resources)	0%
Areas of high physical water risk	0%

2 Evaluate impacts and dependencies

Dependency and impact exposure across the Energy Transition portfolio was assessed using the **WWF Biodiversity Risk Filter** and **Water Risk Filter**, covering all assets held as at 31 December 2025. These are screening scores designed to flag where closer examination may be needed, not measures of actual environmental impact or asset performance. A higher score means greater potential exposure worth investigating, helping direct management attention to where it matters most. The results do not reflect asset-specific controls, mitigation measures or positive management activities already in place.

Consistent with this strategy's limited direct dependency on nature, 9 of the 25 indicators assessed were identified as not material. Where indicators are material, Disease scores highest at 3.91/5 (High), with England's sites carrying the highest score in the portfolio (4.10). Water Quality, assessed via the **Water Risk Filter**, is the next highest at 3.63/5, though this varies more by region than most other indicators, ranging from 2.41 in Scotland to 4.01 in England. Land, Freshwater and Sea Use Change is the only impact indicator to score medium or above, at 3.05/5, broadly consistent across all three regions.

[8]NESO Britain's Energy Explained: 2025 Review
[9]NESO Britain's Energy Explained: 2025 Review

Impact & Dependency Screening

Energy Transition

Biodiversity score **2.62** / 5

Water score **2.45** / 5

Scores are AUM-weighted averages (using a low/medium/high financial materiality rating based on % AUM) across all 58 Energy Transition sites and regions. 9 of 25 indicators considered are screened out as not material.

Distribution across all 16 assessed indicators (WWF band classification)

25%	19%	44%	13%
Very low 4 (25%)	Low 3 (19%)	Medium 7 (44%)	High 2 (13%) Very high 0 (0%)

Rows below include only indicators scoring medium or above.

Dependencies

	England	Scotland	Wales	AUM-weighted (all assets)
Regulating & supporting (enabling)				
Air Quality	2.76	2.50	2.75	2.71
Regulating (mitigating)				
Wildfires	2.77	2.90	3.00	2.81
Disease	4.10	3.40	3.50	3.91
Tropical Cyclones	3.00	3.23	3.00	3.05
Water Risk Filter categories				
Flooding	3.48	2.78	3.25	3.32
Water Quality	4.01	2.41	3.23	3.63
Ecosystem Services Status	3.19	3.13	3.38	3.19

Impacts

	England	Scotland	Wales	AUM-weighted (all assets)
Pressures on biodiversity				
Land, Freshwater & Sea Use Change	3.11	2.86	2.91	3.05
Pressures on freshwater				
Pressures on Freshwater	3.42	2.60	2.90	3.22

[1] Indicators with an AUM-weighted score below medium (<2.6) include: Landslides, Extreme Heat, Forest Canopy Loss, Pollution (all dependencies except Forest Canopy Loss, an impact), and Water Availability, Drought, Water Accessibility. This threshold applies to the AUM-weighted (all assets) score; individual region figures may fall below it even where the row qualifies.

[2] Where an indicator is scored by both tools (Flooding, Water Availability, Water Quality), the Water Risk Filter score is shown as the more accurate measure.

Portfolio-wide climate scenario analysis

	Below 2°C	Business-as-usual	Worst case
Water stress	36%	20%	31%
Precipitation	0%	1%	0%
Temperature	77%	96%	100%
Wind	0%	0%	0%

3 Assess risks and opportunities

Scenario analysis

To understand how the exposure of our portfolio varies across climate scenarios, in 2025 we refreshed our portfolio-wide physical climate risk analysis across our real asset strategies. The percentage of our Energy Transition UK assets, in terms of AUM, expected to experience a material change in each climatic variable by 2050 is shown below.

Financial impact quantification

For Energy Transition, we have piloted asset level financial quantification of physical climate risk on an energy generation asset within our UK portfolio. This assessment estimates an Average Annual Loss (AAL), the probability-weighted cost of climate-related damage an asset can expect to face over time, based on the range of possible event severities and how likely each one is. For this asset, that figure is £15,200 today, rising only modestly to around £15,300 by 2040, equivalent to roughly 1.2% of the cost of rebuilding it.

When looking at what is driving this figure, we can see that landslide risk accounts for around four-fifths of the total estimated loss, with storm damage and subsidence contributing smaller amounts; flood and wildfire risk are immaterial. Despite landslide and storm hazards each carrying the highest severity rating available, the resulting financial exposure remains modest relative to the asset's value, reflected in an overall Physical Risk Rating of A. Quantifying loss in this way lets us prioritise where attention is actually warranted, in this case, landslide risk specifically, rather than treating every severely rated hazard as an equal call on capital or management time. This finding held consistently across the emissions scenarios tested, indicating the risk is driven by the asset's existing physical exposure rather than by the pace of future climate change.

This is a first step towards financially quantifying, rather than qualitatively assessing our exposure to physical climate hazards across Energy Transition. Extending this analysis to a broader set of assets is a priority for the next reporting cycle.

Pilot asset
Energy asset, UK
Modelled under a business-as-usual climate scenario (SSP 3-7.0)

Overall rating
A Low risk

Present day
£15,200
estimated cost per year
A rating

By 2030
£15,300
estimated cost per year
A rating

By 2040
£15,300
estimated cost per year
A rating

Each figure is around 1.2% of the cost of rebuilding this asset

Most material climate hazards by 2040

Landslide	F	£12,240/yr
Subsidence	B	£1,540/yr
Storm damage	F	£1,490/yr
All other hazards assessed (river, surface or coastal flooding, wildfire and more)	A	£0/yr

Climate and nature risks and opportunities: Energy Transition

Risk and Opportunity	Risk: Market	Risk: Physical	Risk: Policy and legal	Risk: Construction & operational nature impact	Opportunity: Products and services	Opportunity: Nature positive design
Description	Volatility in the cost of raw materials due to climate and/or resource-driven impacts affecting availability	Impact of higher temperatures and acute physical risks on asset performance	Changes to policy and regulation, including planning, net zero and biodiversity net gain (BNG) requirements	Habitat disturbance during construction, and pollution from battery thermal events	Development and/or expansion of low emission goods and services	Delivering biodiversity net gain beyond minimum regulatory requirements
Likelihood	Medium	Medium	Medium	Medium	Medium	Medium
Potential impacts	Increased costs	Decreased performance of assets due to higher temperatures, damage to assets from acute events	Increased operating costs (e.g., higher compliance costs), reduction in income	Regulatory delays, reputational damage, remediation costs	Increased revenues from access to new and emerging markets	Strengthened landowner and community relationships; enhanced local biodiversity outcomes
Time horizon	Short- & Medium-term	Medium-term	Medium- & Long-term	Short- & Medium-term	Medium- & Long-term	Short- & Medium-term
Divisional commentary	Climate change and resource scarcity can affect the availability and price of key inputs, compounding exposure to global supply chain shocks. The cost of raw materials is closely monitored by the investment team, and costs are agreed and fixed at the construction stage where possible	Potential physical risk factors identified as part of the initial acquisition process, design reviews, site inspections or during routine maintenance, and are mitigated via design changes. The geographical spread of the investment portfolio mitigates against local physical risk factors	Risk that UK government strategy moves away from net zero ambitions. Potential reform of policy and legislation, including statutory BNG planning requirements, is consistently monitored. The division plays an active role in responding to regulatory consultations and is part of industry lobby groups	Land use and habitat impacts are considered during project design; pollution risk from battery thermal events is managed through firewater management plans at each site	The division is focused on delivering the lowest emissions products and seeks to drive best design practices to extract the best efficiencies. It is also constantly evaluating new areas of the market (e.g. abated gas, hydrogen, EV charging) and is aware of incentive schemes for some of these areas	Habitat management plans, including wildflower margins, hedgerows and ponds, are integrated alongside renewable assets to deliver ecological uplift beyond the statutory requirement
Examples KPI/trends to monitor	• Cost of raw materials	• % assets materially exposed to physical hazards • % assets located in water scarce areas • Average cost of asset insurance	• # community engagements • # consultation responses	• # habitat management plans implemented • # regulatory or community incidents	• Operational carbon emissions (tCO_2e) • Operational carbon intensity (tCO_2e/£m invested) • Revenue mix	• % of sites achieving BNG above statutory minimum

4 Prepare and implement

Our assessment informs asset management decisions and portfolio monitoring across the Energy Transition strategy. We continue to track the strategy's contribution to decarbonisation through renewable generation and storage capacity, alongside the operational emissions associated with delivering it. Given the strategy's more limited direct dependency on nature, our nature-related focus remains proportionate: maintaining appropriate buffers to nearby protected areas and incorporating habitat management plans into new developments where relevant. We monitor a range of ESG KPIs to track the progress our assets are making, and the extent to which risks are being managed effectively.

Emissions reported for this strategy cover the renewable generation and storage assets held in the funds we own.

KPIs that are monitored include:

Metric	2024	2025
Renewable energy generation (GWh)	584	601
Operational BESS capacity (MW)	845	1,072
Scope 1 & 2 emissions (tCO_2e)	59	6,589
Scope 3 emissions (tCO_2e)	138	940
Carbon intensity (tCO_2e/£m invested)	0.53	29

Financed emissions attributable to Gresham House Energy Storage Fund plc ("GRID") have been restated for 2024. Gresham House Energy Transition manages GRID but holds no direct ownership interest in it, so attribution is now based solely on our fund-level shareholding and is reported under Sustainable Infrastructure and Public Equity.

The exclusion of GRID emissions reflects a Partnership for Carbon Accounting Financials (PCAF) ownership-based accounting requirement. As the Energy Transition division retains day-to-day asset management responsibility for GRID's assets, operational KPIs such as battery energy storage capacity continue to be reported within this strategy.

Attributed Scope 1 and 2 emissions rose from 59 tCO_2e in 2024 to 6,589 tCO_2e in 2025 and Scope 3 emissions rose from 138 to 940 tCO_2e, with carbon intensity increasing from 0.53 to 29 tCO_2e/£m invested.

The increase reflects assets entering operation. Four wind assets - Inverclyde, Wharrels, Harburnhead and Small Wind - reported their first full year of generation in 2025 and account for over 99% of the increase in attributed Scope 1 and 2 emissions. A further thirteen assets, recorded at nil in 2024 while under construction, reported emissions for the first time as they came online.

Engagement

Our engagement approach across the Energy Transition strategy is multi-dimensional, reflecting the diverse stakeholders involved in the successful development and operation of renewable and energy storage infrastructure. We engage proactively with:

- Developers, landowners, contractors to ensure timely delivery and responsible construction
- Equipment suppliers to improve supply chain sustainability and quality standards
- Local authorities and communities to ensure projects align with regional needs and minimise disruption
- Investors and policymakers to support the broader decarbonisation agenda.

Asset-specific engagement

For our BESS assets, we focus engagement to maximise the efficient operation of BESS that help balance the UK electricity grid, allowing it to make optimal use of intermittent renewable energy generation in the UK electricity generation system. For our renewables assets, engagement is focused to maximise the delivery of renewable electricity for local and national distribution in a safe and efficient manner with minimal disruption to local communities and habitats.

Policy and industry engagement

Our Energy Transition team engage with key government and industry bodies to encourage policies and regulation that support accelerated decarbonisation of energy systems and the technologies that underlie this transition.

This includes:

- Department for Energy Security and Net-zero (DESNZ)
- Office of Gas and Electricity Markets (OFGEM)
- Energy Storage Network, an industry trade association focused on Energy Storage
- RenewableUK, an industry trade association whose role is to maximise the renewables opportunity and create the conditions that will see the renewable sector continue to thrive in the UK
- National Energy System Operator (NESO)

Case study

Enhancing grid flexibility through battery storage

Project summary

In June 2025, GRID completed a transaction with a third party, UAB E Energy Invest, to invest £8.6mn in Glassenbury Battery Storage Limited. This investment was used to augment the site's capacity from 38MWh to 110MWh, increasing the asset's ability to deliver flexible power to the grid. This supports the role of battery storage as a key enabler of the UK's net zero transition, helping the grid to better absorb variable output from wind and solar generation and re-dispatching it when consumers need it.

Upgrading capacity and technical performance

Construction began in late July 2025 and was one of the most complex projects delivered to date, with the majority of the existing site removed and new batteries and inverters installed. The new equipment provides greater technical quality meaning that less power is wasted through round trip efficiency losses and increased longevity of the batteries which will mean the project can remain operational for many years to come without replacement. The new equipment installed also has the benefit of having much higher energy density, meaning no additional land was required to deliver the upsizing of the project, protecting the surrounding natural environment. In addition, trees will be planted around the perimeter to provide natural shade and noise absorption for the project, whilst also improving the biodiversity on site.

Creating value through clean energy storage

The upgraded site was energised in April 2026 and the project delivered a £3.4mn uplift in GRID's Net Asset Value and is projected to increase EBITDA by 22%, demonstrating that scaling clean energy storage capacity can also generate strong shareholder returns.

The project delivered a £3.4mn uplift in GRID's Net Asset Value and is projected to increase EBITDA by 22%

6 Sustainable Infrastructure

Real Assets

Sustainable Infrastructure

Our Sustainable Infrastructure strategy takes a multi-thematic approach and targets robust financial returns while directly addressing key environmental and societal challenges, providing innovative, real asset based solutions that aim to support the creation of a more sustainable future. The strategy typically makes greenfield investments across six subsectors: decarbonisation, digital inclusion, health and education, regeneration, resource efficiency and waste solutions, targeting smaller companies with innovative infrastructure businesses that require initial investments of sub-£50mn.

Engagement with portfolio companies is intensive and at board level. We take a board seat in the majority of portfolio companies and maintain a close working relationship with management throughout the holding period, including weekly or fortnightly contact during early stages of ownership or periods of strategic transition. The investment team monitors and engages with portfolio companies on their sustainability commitments throughout the holding period.

Sustainable Infrastructure Highlights

The BSIF portfolio of 11 platform investments grew revenues (excluding its investment in Gresham House Energy Storage Fund plc) to over

£218mn

growth of over **36%** in year, with **£131mn of capital deployed and 191 net new jobs** created across the portfolio.

Environment Bank established itself as the leading participant in the UK Biodiversity Net Gain market, delivering

46%

of the BNG units sold from the Gain Site Register in 2025, the first full year of BNG legislation, **across a national network of 47 habitat banks.**

N Family Club added **12 new nurseries, ending the year with 50 locations and nearly 1,900 staff,** and was ranked among the UK's Best Workplaces (Super Large Organisations category).

The BSIF portfolio diverted **27,238 tonnes of solid recovered fuel** from landfill.

SUSTAINABLE INFRASTRUCTURE

How sustainability is embedded

ESG considerations, including climate and nature, are integrated throughout the investment lifecycle as outlined below:

Preliminary due diligence

Assess an investment's potential sustainability outcomes and alignment to at least one of the UN Sustainable Development Goals (SDGs). If an investment does not create clear sustainability outcomes or adequately manage ESG risks, then we will not proceed at this stage.

Initial assessment

Desktop analysis completed to identify positive/negative externalities. A cross-division discussion held to conduct an initial review of the opportunity, which is then followed by a short discussion with the Investment Committee to outline the high-level terms and considerations for the new investment opportunity.

Due diligence

Gresham House's proprietary ESG Decision Tool is used to identify material ESG risks that need to be mitigated and monitored, as well as to identify ESG opportunities that have the potential to drive value creation.

Where necessary, specialised consultants are engaged to support the diligence process.

The investment team then works closely with the investee management team to put an action plan in place to either mitigate or capitalise on these ESG factors. The Sustainable Investment Team may also be asked to assess and comment on the sustainability credentials of an investment.

Investment appraisal

For each new investment opportunity, Investment Committee submissions include a full sustainability assessment of applicable positive and negative externalities, including material ESG risks and opportunities identified in due diligence which are then factored into the decision-making process. Appropriate risk mitigation approaches will also be referenced and assurance that the business is open to making improvements is sought. A proprietary impact framework, closely tied to the principles of the Impact Frontiers, is applied to each investment.

Our investment documentation includes a written commitment from the investee management team detailing the sustainability initiatives they plan to drive. All portfolio companies will be encouraged to implement a business wide Sustainability Policy and Diversity & Inclusion Policy.

Holding period

We take a very active role in the portfolio company's strategic direction through regular engagement with the Board, including Gresham House representation where possible, to provide robust oversight and governance. These meetings will focus on strategic, financial and operational matters, including ESG factors. Regular monitoring of ESG KPIs is undertaken by the investment team, the Board and the Investment Committee.

Sustainability commitment

A core element of our investment process is a sustainability commitment made by our investee companies. Portfolio companies are encouraged to sign up to a set of commitments and policies as per the division's investment terms. These include a Diversity, Equity & Inclusion (DEI) Policy and a Sustainability Policy.

As part of the Sustainability Policy, portfolio companies must acknowledge that concern for the environment and broader sustainability agenda is integral to their activities and must declare that they are fully committed to taking all reasonable steps to ensuring that their business benefits the environment and wider society, including through mitigating carbon emissions.

Real world outcomes

Metric	2024	2025
Hectares supporting nature recovery, cumulative end of year total	794	1,377
Premises passed with ready for service full fibre / gigabit-capable broadband	214,641	219,943
Customers connected	23,819	21,508
Total nursery places managed	3,521	4,648
Care beds in operation	566	518
New jobs created across the BSIF portfolio, net annual change	242	191

Case study

Embedding ESG governance and operational efficiency

Aurem Care

Context

Integrating sustainability into operational decision-making to a portfolio of care homes

Gresham House worked with Aurem Care, a portfolio of care homes providing residential and dementia care services across England and Scotland, to integrate sustainability into operational decision-making initially focused on identifying practical efficiency gains in energy and waste management, with the aim of building a broader ESG governance framework across the platform.

Activity

Embedding stronger ESG practices

Gresham House introduced a specialist sustainability consultant to conduct a targeted review of energy and waste procurement. An energy tender was run across all sites to align contract end dates, procure at scale and secure renewable electricity, while waste contracts were consolidated under a single management framework with one point of contact, monthly site-level reporting, compliance oversight and KPI monitoring. Engagement then expanded to cover a formal ESG strategy and further initiatives on water procurement, waste reduction and staff training.

A formal ESG strategy and further initiatives on water procurement, waste reduction and staff training

Outcome

Delivered 100% renewable electricity with approximately £230,000 in annual savings

The energy tender delivered 100% renewable electricity across the platform and annual gas and electricity savings of over £200,000, while waste consolidation cut waste-related costs by 22% together with the wider programme, delivering approximately £230,000 in annual savings and directly improving profitability. Aurem Care also established a decarbonisation plan and embedded ESG governance within its operating model, strengthening its position in Local Authority tenders where decarbonisation and social value are increasingly weighted criteria. The next phase is the formal rollout of the ESG strategy alongside continued optimisation of energy, water and waste use.

Case study

Embedding workforce development and inclusion

N Family Club

Context

Responding to a sector facing low pay, high staff turnover and skills shortages

Improving retention, service quality and growth

Following investment in N Family Club, Gresham House worked closely with the business to strengthen its workforce strategy in response to a sector facing low pay, high staff turnover and skills shortages, recognising this as critical to long-term performance. The focus was on improving retention, service quality and growth, driven through regular Board and management engagement on career progression, retention, employee morale, inclusion and the long-term talent pipeline.

Activity

As part of the initial investment requirements, N Family Club launched the N Partnership, an employee share ownership programme aligning nursery managers and educators with the business's long-term success. Career progression was addressed through apprenticeship pathways from Levels 2 to 7, supported by mentoring and structured learning, while employee support and inclusion were strengthened through ADHD awareness training for managers, more accessible multi-format internal communications, a new Learning Experience Platform, and continued Living Wage commitments.

Launched a share ownership programme aligning nursery managers and educators with the business's long-term success.

Outcome

More than 150 apprentices are currently in programme, with 94% progressing into permanent roles

N Family Club ranked 30th in the UK's Best Workplaces by Great Place to Work in 2025

More than 150 apprentices are currently in programme, with 94% progressing into permanent roles, and the business maintained 100% Living Wage compliance and 58% Real Living Wage coverage. N Family Club ranked 30th in the UK's Best Workplaces by Great Place to Work in 2025, with 80% of employees rating it a great place to work well above the UK benchmark improving to 14th place in 2026, alongside a ROSPA Gold Award for health and safety.

Integrated climate and nature assessment

Our thematic approach to Sustainable Infrastructure investing specifically targets opportunities that contribute to decarbonisation, as well as other key sectors that directly contribute to climate change mitigation, such as digital inclusion, health and education, regeneration, resource efficiency and waste solutions.

Investing in nature-based solutions, such as habitat banks for positive nature restoration, represents a crucial shift towards a more sustainable and nature-positive economy. These initiatives address biodiversity loss, ecosystem degradation and climate change, offering significant environmental benefits alongside new financial opportunities.

A key example is our co-founding role in the establishment and strategic growth of the Environment Bank, which develops landscape scale habitat banks from unproductive land. Habitat banks are large-scale sites, typically 25 to 100 hectares or more, that transform low-grade land into biodiversity-rich areas, such as woodland mosaics or wetlands. The biodiversity created on these habitat banks generates Biodiversity Net Gain (BNG) units, which can be sold to house builders, commercial developers or infrastructure projects.

1 Locate sensitive assets

We applied the **WWF Biodiversity Risk Filter** and **Water Risk Filter** to sites held at 31 December 2025.[10] This strengthened the initial proximity analysis undertaken through our first TNFD-aligned LEAP assessment in 2024.

26% of assessed sites sit within or near at least one TNFD-defined sensitive location. Proximity to areas of high biodiversity importance, which include protected or conserved areas, Key Biodiversity Areas, and Wetlands of International Importance, drives the large majority of these flags. Rapid decline in ecosystem integrity, principally via land use change, contributes to a smaller but still meaningful share.

Sensitive locations are reported as a percentage of individual sites, instead of percentage of AUM, since ecological sensitivity reflects where an asset is located rather than its financial size.

2 Evaluate impacts and dependencies

Dependency and impact exposure across the Sustainable Infrastructure portfolio was assessed using the **WWF Biodiversity Risk Filter** and **Water Risk Filter**, covering all assessed assets held as at 31 December 2025.

Sustainable Infrastructure sites meeting TNFD sensitive location criterion

TNFD criterion	% of Sustainable Infrastructure sites
Areas of high biodiversity importance	26%
Areas of high ecosystem integrity	0%
Areas of rapid decline in ecosystem integrity	4%
Areas of importance for ecosystem service provision (natural & cultural resources)	0%
Areas of high physical water risk	0%

These are screening scores designed to flag where closer examination may be needed, not measures of actual environmental impact or asset performance. A higher score means greater potential exposure worth investigating, helping direct management attention to where it matters most. The results do not reflect asset-specific controls, mitigation measures or positive management activities already in place.

Disease-related environmental sensitivity, reflecting location-based exposure rather than actual disease incidence, scored highest (4.67/5). Water quality was also identified as a common area of sensitivity across the portfolio (4.14/5).

One classification limitation worth noting is for our habitat creation assets. The **WWF Biodiversity Risk Filter** does not yet offer a dedicated activity classification for habitat creation and restoration businesses. In the absence of an appropriate category, these assets which include 49 out of the 122 sites in the portfolio, are excluded from the impact and dependency results below. We will continue to monitor WWF's classification options and revisit this treatment as they develop.

[10] Excludes Environment Bank sites due to lack of an appropriate WWF industry category

Impact & Dependency Screening

Sustainable Infrastructure

Biodiversity score **3.17** / 5

Water score **2.64** / 5

Scores are AUM-weighted averages (using a low/medium/high financial materiality rating based on % AUM) across 73 assessed Sustainable Infrastructure sites. 2 of 25 indicators considered are screened out as not material. Habitat creation assets (54% of portfolio weight) are excluded; see accompanying narrative.

Distribution across all 23 assessed indicators (WWF band classification)

9%	22%	35%	26%	9%
Very low 2 (9%)	Low 5 (22%)	Medium 8 (35%)	High 6 (26%)	Very high 2 (9%)

Rows below include only indicators scoring medium or above.

Dependencies

	Nursery & education	Residential care	Vertical farming	Digital infrastructure	Alternative fuels & energy from waste	AUM-weighted (all assessed assets)
Provisioning services						
Forest Productivity & Distance to Markets	2.86	n/a	n/a	2.50	3.50	2.83
Regulating & supporting (enabling)						
Soil Condition	2.64	n/a	3.75	n/a	n/a	2.75
Air Quality	3.38	3.34	3.38	n/a	2.75	3.35
Ecosystem Condition (degraded)	n/a	n/a	4.12	n/a	n/a	4.12
Pollination	n/a	n/a	5.00	n/a	n/a	5.00
Regulating (mitigating)						
Wildfires	2.69	2.62	3.25	2.81	3.00	2.74
Disease	5.00	4.42	4.00	3.75	3.50	4.67
Herbicide Resistance	2.50	n/a	4.00	n/a	n/a	2.65
Tropical Cyclones	2.91	3.00	3.25	3.31	3.00	2.99
Cultural services						
Natural & Cultural Resources	3.00	n/a	n/a	n/a	n/a	3.00
Water Risk Filter categories						
Flooding	3.61	3.56	3.12	3.41	3.50	3.55
Water Quality	4.28	4.04	4.28	3.43	3.67	4.14
Ecosystem Services Status	3.20	3.10	3.19	3.33	3.50	3.20

Impacts

	Nursery & education	Residential care	Vertical farming	Digital infrastructure	Alternative fuels & energy from waste	AUM-weighted (all assessed assets)
Pressures on biodiversity						
Invasives	4.00	n/a	4.00	3.50	n/a	3.94
Pollution	3.58	4.45	4.29	2.57	4.31	3.68
Pressures on freshwater						
Pressures on Freshwater	3.68	3.52	3.43	3.26	3.67	3.60

[1] Indicators with an AUM-weighted score below medium (<2.6) include: Landslides, Extreme Heat, Land, Freshwater & Sea Use Change, Forest Canopy Loss, Water Availability, Drought, Water Accessibility. This threshold applies to the AUM-weighted (all assessed assets) score; individual sub-sector figures may fall below it even where the row qualifies.
[2] Where an indicator is scored by both tools (Flooding, Water Availability, Water Quality), the Water Risk Filter score is shown as the more accurate measure.
[3] Combines two single-site businesses: energy from biomass and alternative fuels.

3 Assess risks and opportunities

Scenario analysis

To understand how the exposure of our portfolio varies across climate scenarios, in 2025 we refreshed our portfolio-wide physical climate risk analysis across our real asset strategies. The percentage of our Sustainable Infrastructure assets, in terms of AUM, expected to experience a material change in each climatic variable by 2050 is shown below.

Financial impact quantification

For Sustainable Infrastructure, we have piloted asset level financial quantification of physical climate risk on a vertical farming asset within our UK portfolio. This assessment estimates an Average Annual Loss (AAL), the probability-weighted cost of climate-related damage an asset can expect to face over time, based on the range of possible event severities and how likely each one is. For this asset, that figure is £1,930 today, rising only modestly to around £1,960 by 2040, equivalent to roughly 0.2% of the cost of rebuilding it.

When looking at what is driving this figure, subsidence accounts for almost all of the estimated loss, with storm damage contributing a very small amount; flood, landslide and wildfire risk are immaterial. Notably, storm damage carries the highest severity rating on the assessment's scale despite contributing only a small fraction of the total estimated loss, while subsidence, rated lower for severity, is by far the larger driver of financial exposure.

The asset carries an overall Physical Risk Rating of A. Quantifying loss in this way enables us to prioritise where attention is actually warranted, in this case, subsidence rather than storm exposure, despite storms carrying the more severe individual rating. This finding held consistently across the emissions scenarios tested, indicating the risk is driven by the asset's existing physical exposure rather than by the pace of future climate change.

This is a first step towards financially quantifying, rather than qualitatively assessing our exposure to physical climate hazards across Sustainable Infrastructure. Extending this analysis to a broader set of portfolio companies is a priority for the next reporting cycle.

Portfolio-wide climate scenario analysis

	Below 2°C	Business-as-usual	Worst case
Water stress	33%	16%	25%
Precipitation	0%	0%	0%
Temperature	65%	100%	100%
Wind	0%	0%	0%

Climate and nature risks and opportunities: Sustainable Infrastructure

Risk and Opportunity	Risk: Policy and legal	Risk: Technology	Risk: Market	Risk: Physical	Opportunity: Energy source	Opportunity: Products, services & nature markets
Description	Changes to policy and regulation leading to reduction in demand for goods and/or services	Risk of new technology failure or obsolescence in the future that cannot be mitigated	Volatility in the cost of raw materials such as energy, waste and other inputs due to climate and/or resource-scarcity impacting availability	Impact of climate-driven extreme weather and reduced access to the ecosystem services portfolio companies depend on to operate	Use of lower-emission sources of energy	Demand for low-carbon products and services, and structural demand for nature-based revenue streams
Likelihood	Medium	Low	Medium	Medium	High	High
Potential impacts	Increased operating costs (e.g., higher compliance costs), reduction in income	Increased costs from retro fitting newer technology or lower valuation on sale	Increased production costs due to changing input prices	Damage to assets, disrupted operations, supply disruption, increased costs	Reduced operational costs through lower energy prices, reduced exposure to fossil fuels and carbon prices	Increased revenue through demand for lower emissions products and services, and nature-positive revenue streams
Time horizon	Medium- & Long-term	Short- & Medium-term	Medium- & Long-term	Medium- & Long-term	Short- & Medium-term	Short- & Medium-term
Divisional commentary	Political and legal risks are monitored at the asset level. Risk considered low given investments are designed to address climate-related risks.	Considered where relevant in technical diligence and with ongoing support from environmental consultants.	High exposure to input costs. Long term forecasts factored into analysis and monitored regularly by the investment committee. Where possible, both input costs and output revenue are contractually fixed.	Managed through resilient design and siting decisions at investment, ongoing monitoring, and engagement to strengthen adaptation planning.	Investments are designed to use as much renewable energy as possible. KPIs monitoring energy use are reported to investment committee on a monthly basis.	Carefully considered in initial investment case and typically a rationale for making the investment. The drive for low carbon products and services, alongside a growing contribution from nature-based revenue, remains a key driver for the division.
Example KPIs/trends to monitor	• #community engagements • #consultation responses	• % renewable energy consumed • % non-renewable energy consumed • Demand for product (e.g. tonnes produced / no. customers) • Carbon footprint of operations	• Cost of raw materials • Raw material costs as a % of operating costs • % renewable energy consumed • % non-renewable energy consumed	• % assets materially exposed to physical hazards • % assets located in water scarce areas	• % renewable energy consumed • % non-renewable energy consumed	• Operational carbon emissions (tCO_2e) • Operational carbon intensity (tCO_2e/£m invested)

Climate and nature-related KPIs that are monitored include:

	Metric	2024	2025
Climate	Scope 1 & 2 emissions (tCO_2e)	7,842	7,019
Climate	Scope 3 emissions (tCO_2e)	258,327	146,421
Climate	Carbon intensity (tCO_2e/£m invested)	368	209
Nature	Hectares supporting nature recovery, cumulative end of year total	794	1,377

4 Prepare and implement

Our assessment informs investment decisions, asset management plans, stewardship priorities and portfolio monitoring across the Sustainable Infrastructure strategy. Given the breadth of sub-sectors within this strategy, spanning habitat creation, vertical farming, residential care, nursery and education, digital infrastructure and waste-derived energy, the practical response to these findings varies materially by asset type rather than following a single approach.

Where material nature-related risks are identified, we apply our mitigation hierarchy framework to guide asset management decisions and continue to embed climate and nature considerations into due diligence through our ESG Decision Tool for new acquisitions.

We monitor a range of climate and nature-related KPIs to track the progress our assets are making, and the extent to which risks are being managed effectively.

In 2025, Scope 3 emissions and carbon intensity decreased by 43%. The reduction in Scope 3 emissions reflects changes in portfolio composition and activity, as well as improvements in data quality

Engagement

Effective stewardship is central to our Sustainable Infrastructure strategy. We adopt a structured and proactive approach to engagement, beginning at the pre-investment stage and continuing throughout the holding period, to support the sustainability performance and strategic direction of portfolio companies.

Approach to engagement

Our stewardship efforts are underpinned by ESG due diligence conducted prior to an investment. Findings from this process inform a future engagement plan for each company. This plan typically includes steps to strengthen governance, implement ESG policies, improve reporting practices, and address any identified sustainability risks or opportunities.

Key elements of our engagement model

Sustainability commitments

As part of our investment terms, all portfolio companies are required to adopt a bespoke Sustainability Commitment Document (a document listing out initiatives the business has committed to and will be monitored against), encompassing an agreed set of environmental and social targets. Portfolio companies are also encouraged to implement a business-wide Sustainability Policy and Diversity & Inclusion Policy.

Board representation and oversight

We typically take a board seat and may also appoint a board observer. A base level of engagement with the business will always be maintained via regular board meetings (usually monthly) and a close working relationship with the management team.

Ongoing engagement

The intensity of our engagement is tailored to the maturity and needs of each business. In the early stages of ownership or during periods of strategic transition, we increase our involvement, often meeting with management weekly to fortnightly to provide strategic and operational support, including on sustainability initiatives.

Case study

Strengthening education and community engagement

Environment Bank

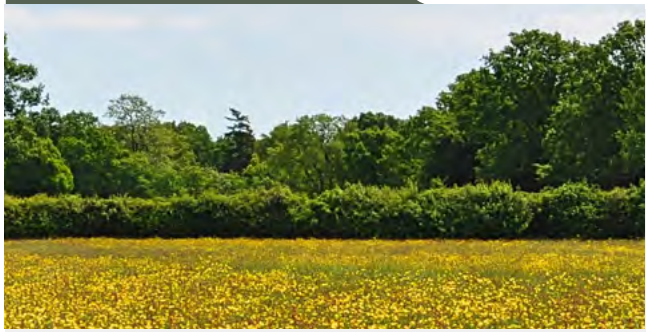
Context

Development of a broader approach to nature restoration

Strengthening the long-term sustainability of the UK biodiversity market

Through ongoing engagement with Environment Bank, which creates from scratch and then operates a national network of Habitat Banks across England delivering Biodiversity Net Gain units while supporting rural landowners, Gresham House supported the development of a broader approach to nature restoration extending beyond habitat creation alone. The objective was to strengthen the long-term sustainability of the UK biodiversity market by embedding education, community engagement and green skills development alongside ecological delivery.

Activity



Through Board-level dialogue, Environment Bank expanded its community and education activity. The business introduced regular BNG Breakfast events bringing together landowners, developers, planning professionals and community representatives to explain how Biodiversity Net Gain works and respond directly to questions. Public access to Habitat Banks was actively managed, with rights of way maintained and monitored to balance ecological protection with community use. To support broader stakeholder engagement, Environment Bank founded the BNG Federation in December 2025, the peak trade body representing private sector BNG providers.

Bringing together landowners, developers, planning professionals and community representatives to explain how Biodiversity Net Gain works

Outcome

Structured education outreach was also developed, including school visits near Habitat Banks with interactive sessions on biodiversity and habitat creation. This extended to a partnership with Mount Kelly School in Devon to deliver one of the UK's first large-scale events focused on embedding nature connection within education, alongside research collaborations with students from Lancaster University and Leeds University. As a result, education and community engagement became more embedded within the business's operating model, awareness of BNG increased in local communities, and stronger links were established with schools and universities to support green career pathways. The next phase will focus on strengthening measurement of social value and access outcomes to demonstrate the wider benefits of biodiversity investment to stakeholders.

Stronger links with schools and universities to support green career pathways

Case study

Developing carbon governance and a decarbonisation pathway

Elevate

Context

Moving from limited emissions visibility to a complete carbon management framework

Following investment in Elevate, a full-fibre broadband network providing coverage to more than 100,000 businesses across the UK via its 700km of fibre network, Gresham House engaged with the company's leadership team to formalise carbon measurement and governance. The objective was to move from limited emissions visibility to a complete carbon management framework covering Scopes 1, 2 and 3, with decarbonisation oversight embedded at Board level.

Activity

Advancing carbon measurement and reduction

Through direct engagement with the Board and senior management, Gresham House supported Elevate in completing a full carbon footprint assessment aligned with the GHG Protocol. Carbon measurement was embedded within governance processes and supported by detailed physical data collection across fleet fuel use, electricity consumption and supplier spend. Board-level discussions identified priority decarbonisation levers including fleet electrification, increased renewable electricity procurement (targeting 80% by 2031) and structured supplier engagement to strengthen Scope 3 data quality. Scope 1 and 2 targets align with a reduction pathway of approximately 47% by 2031.

Decarbonisation levers including fleet electrification, increased renewable electricity procurement (targeting 80% by 2031)

Outcome

As a result, Elevate established a full Scope 1 to 3 carbon footprint and a clear decarbonisation roadmap. Total emissions in FY25 were 21% lower than FY24, including a 43% reduction in Scope 1 emissions driven by reduced diesel consumption across the fleet. The work also improved transparency for investors and customers and supported updates to internal company policies. The next phase includes continued progress on fleet electrification, expanded supplier engagement, increased renewable electricity procurement and refinement of Scope 3 measurement, with the company progressing towards formal validation of its net zero trajectory.

Total emissions in FY25 were 21% lower than FY24, including a 43% reduction in Scope 1 emissions

6 Real Estate

Real Assets

Real Estate

Across our real estate strategies, sustainability is embedded through investment selection, development and active asset management. We focus on improving environmental performance, enhancing social outcomes for tenants and communities, and maintaining strong governance over assets and partners.

In the UK, Gresham House invests in two structural trends shaping the future of the housing market: the institutionalisation and quality improvement of the UK's five million privately rented homes, and the provision of affordable homeownership pathways.

In Ireland, the Gresham House Commercial Property Fund invests in office, retail and industrial properties across suburban Dublin and major regional centres. Sustainability is central to our approach. Through our brown to green strategy, we focus on improving existing buildings, enhancing energy performance and preparing assets for evolving environmental standards. Where practical and commercially viable, we aim to achieve a BER of B1 or A3 or better.

Real world outcomes

Metric	2024	2025
Operational UK housing stock EPC B or above (%)	52	76
Operational Irish commercial property stock BER B or above (%)	41	53
UK homes completed (all fund and ownership types)	366	250
UK homes committed to funding (all fund and ownership types)	268	399
Proportion of investment committed into affordable housing during the year (%)	86	100
New build Shared Ownership homes that are EPC A (%)	37	46

REAL ESTATE

How sustainability is embedded

ESG considerations, including climate and nature, are integrated throughout the investment lifecycle as outlined below:

Sector analysis and strategy setting

At the strategy development stage, we assess affordability, energy efficiency, and occupier wellbeing to identify investment opportunities that could deliver both financial returns and meaningful social impact. In the UK housing market, our focus is on providing sustainable, accessible housing, while in Irish commercial property, we prioritise sustainable building practices and occupier engagement.

Due diligence and ESG risk assessment

During pre-investment due diligence, we assess material ESG risks and opportunities to ensure that sustainability factors are incorporated into decision-making. This includes evaluating energy efficiency, governance structures, and key social considerations. Where necessary, we seek input from external specialists to enhance our understanding of specific sustainability risks.

Execution

At the execution stage, we work closely with developers, builders, and operational partners to ensure that ESG considerations are reflected in investment decisions. The Investment Committee reviews material ESG findings to integrate sustainability into asset selection and risk management.

Long-term management

Post-investment, we actively monitor ESG performance across our portfolio. This includes tracking Key Performance Indicators (KPIs) related to energy use, occupier satisfaction, and environmental impact. Engaging with managing agents and occupiers to promote sustainability best practices. Assessing ongoing ESG risks and opportunities to drive continuous improvement in asset management strategies.

Real Estate Highlights

Operational UK homes **rated EPC B or above** rose from

52% to 76%

Operational Irish commercial property rated **BER B or above** rose from

41% to 53%

The first homes at ReSI LP's development in Chippenham **reached practical completion in March 2026.**

The site will be delivering

167

affordable homes **on a disused brownfield site.**

Case study

Real Estate engagement:

Solar PV installation at Beaver House

Context

Beaver House

Located in Beach Hill Office Campus, in Clonskeagh, Dublin

At Beaver House, which sits within the Beach Hill Office Campus in Clonskeagh, Dublin, Gresham House identified an opportunity to improve energy efficiency and reduce grid electricity reliance through rooftop solar PV installation, forming part of the fund's broader renewable energy objectives for the Irish commercial property portfolio.

Activity

Beach Hill Office Campus

The asset management and property management teams worked with an external installer to design and deliver a 54.60kWp photovoltaic system on the roof of Beaver House, the first solar project within the business park, establishing a replicable model for similar upgrades across the wider campus.

Installation of 54.60kWp Solar PV system

Outcome

Annual saving of approximately 13,600 kWh in grid electricity demand

The system is now generating renewable electricity on site, reducing grid demand and lowering energy costs for occupiers. Based on verified export data, the installation delivers an estimated minimum annual saving of approximately 13,600 kWh in grid electricity demand, equating to around 3.2 tonnes of avoided CO_2 emissions per annum, with actual savings expected to be higher once on-site consumption is accounted for. Performance monitoring is ongoing, with a full operating cycle of data to be used to assess the case for further installations across the campus.

Integrated climate and nature assessment

Gresham House's Real Estate strategy is focused on the ongoing decarbonisation of our UK housing and Irish commercial property portfolios, while seeking to deliver stable, secure inflation-linked returns and wider social value to occupiers and local communities. This means addressing both the operational emissions of the buildings we hold today and the embodied carbon and physical resilience of the assets we develop and acquire, recognising that the built environment's climate impact spans the full lifecycle of a property rather than its running costs alone.

Nature plays an equally important role alongside these climate considerations. As long-term stewards of homes and commercial buildings, we recognise that access to green space and biodiversity rich surroundings shapes the quality of life we deliver to occupiers and increasingly influences the long-term value and desirability of the assets we hold. Well-designed green infrastructure, from tree planting to habitat-friendly landscaping, also helps our developments adapt to a changing climate, moderating the urban heat island effect while supporting local biodiversity within otherwise built-up environments. The construction of new developments has the potential to affect local ecosystems, and we consider these impacts from the earliest stages of development.

We identify and integrate both climate and nature-related risks and opportunities throughout the investment process.

1 Locate sensitive assets

In 2025, we applied the **WWF Biodiversity Risk Filter** and **Water Risk Filter** to 4,220 real estate sites held across the UK and Ireland at 31 December 2025. This extended the initial proximity analysis completed through our first TNFD aligned LEAP assessment in 2024.

None of the sites assessed met our threshold for classification as a sensitive location, consistent with the portfolio's concentration in developed areas.

Sensitive locations are reported as a percentage of individual sites, since ecological sensitivity reflects where an asset sits rather than its financial size.

Real Estate sites meeting TNFD sensitive location criterion

TNFD criterion	% of Real Estate sites
Areas of high biodiversity importance	0%
Areas of high ecosystem integrity	0%
Areas of rapid decline in ecosystem integrity	0%
Areas of importance for ecosystem service provision (natural & cultural resources)	0%
Areas of high physical water risk	0%

2 Evaluate impacts and dependencies

Dependency and impact exposure across the Real Estate portfolio was assessed using the **WWF Biodiversity Risk Filter** and **Water Risk Filter**, covering 4,220 individual sites held as at 31 December 2025 across the UK and Ireland. These are screening scores designed to flag where closer examination may be needed, not measures of actual environmental impact or asset performance. A higher score means greater potential exposure worth investigating, helping direct management attention to where it matters most. The results do not reflect asset-specific controls, mitigation measures or positive management activities already in place.

All sites, including individual housing units, are classified under WWF's "Offices & professional services" activity; this is the category WWF's own documentation cites for real estate generally, since no dedicated property classification exists within its industry taxonomy.

Water quality was the highest-scoring material indicator (4.08/5), followed by location-based disease sensitivity (3.70/5). Pollution scored 2.89/5, with broadly consistent results across the UK and Ireland.

Real Estate Impact & Dependency Screening

Biodiversity score
2.59 / 5

Water score
2.55 / 5

Scores are AUM-weighted averages (using a low/medium/high financial materiality rating based on % AUM) across all 4,220 Real Estate sites and countries. 9 of 25 indicators considered are screened out as not material.

Distribution across all 16 assessed indicators (WWF band classification)

25%	19%	31%	25%
Very low 4 (25%)	Low 3 (19%)	Medium 5 (31%)	High 4 (25%) Very high 0 (0%)

Rows below include only indicators scoring medium or above.

Dependencies

	UK	Ireland	AUM-weighted (all assets)
Regulating & supporting (enabling)			
Air Quality	3.31	2.72	3.30
Regulating (mitigating)			
Wildfires	2.76	2.90	2.76
Disease	3.71	2.95	3.70
Tropical Cyclones	2.89	3.45	2.90
Water Risk Filter categories			
Flooding	3.57	2.73	3.56
Water Quality	4.08	3.35	4.08
Ecosystem Services Status	3.05	2.47	3.05

Impacts

	UK	Ireland	AUM-weighted (all assets)
Pressures on biodiversity			
Pollution	2.89	2.93	2.89
Pressures on freshwater			
Pressures on Freshwater	3.43	3.52	3.43

[1] Indicators with an AUM-weighted score below medium (<2.6) include: Landslides, Extreme Heat, Land, Freshwater & Sea Use Change, Forest Canopy Loss, Water Availability, Drought, Water Accessibility. This threshold applies to the AUM-weighted (all assets) score; individual country figures may fall below it even where the row qualifies.
[2] Where an indicator is scored by both tools (Flooding, Water Availability, Water Quality), the Water Risk Filter score is shown as the more accurate measure.
[3] WWF has no dedicated residential classification; its documentation cites "Offices & professional services" as the category covering real estate generally, and this has been applied here for both our commercial and residential assets.

Pilot asset

Shopping centre, Ireland

Modelled under a higher emission climate scenario

Overall rating

A Low risk

Present day
£4,300
estimated cost per year
A rating

By 2030
£4,300
estimated cost per year
A rating

By 2040
£4,400
estimated cost per year
A rating

Each figure is around 0.1% of the cost of rebuilding this asset

Most material climate hazards by 2030

Subsidence	B	£4,100/yr
Surface water flooding	A	£131/yr
Storm damage	C	£177/yr
All other hazards assessed (river or coastal flooding, extreme heat and more)	A	£0/yr

3 Assess risks and opportunities

Scenario analysis

To understand how the exposure of our portfolio varies across climate scenarios, in 2025 we refreshed our portfolio-wide physical climate risk analysis across our real asset strategies. This year, our Real Estate scenario analysis has been expanded to include our Real Estate Ireland operations alongside the UK portfolio. The percentage of our UK and Ireland properties, in terms of AUM, expected to experience increasing exposure to each hazard by 2050 is shown below.

Financial impact quantification

For Real Estate, we have piloted asset level financial quantification of physical climate risk on a shopping centre asset within our Irish Commercial Property Fund. This assessment estimates an Average Annual Loss (AAL), the probability-weighted cost of climate-related damage an asset can expect to face over time, based on the range of possible event severities and how likely each one is. For this asset, that figure is £4,300 today, rising only slightly to £4,400 by 2040, equivalent to around 0.1% of the cost of rebuilding it.

When looking at what is driving this figure, the small amount of estimated damage that does exist comes mainly from subsidence, with smaller contributions from surface water flooding and storm damage; flood risk from rivers or the sea, and extreme heat, are immaterial. The asset carries an overall Physical Risk Rating of A now, expected to remain A through to 2040. Quantifying loss in this way lets us confirm where risk is genuinely low, distinguishing this asset from others that may carry more meaningful exposure. Because the estimated loss is already low, no adaptation measure was found to deliver a financial benefit exceeding its cost.

This is a first step towards financially quantifying, rather than qualitatively assessing our exposure to physical climate hazards across Real Estate. Extending this analysis to a broader set of assets is a priority for the next reporting cycle.

Portfolio-wide climate scenario analysis

	Below 2°C	Business-as-usual	Worst case
Water stress	61%	20%	55%
Precipitation	0%	0%	0%
Temperature	97%	100%	100%
Wind	0%	0%	0%

Climate and nature risks and opportunities: Real Estate

Risk and Opportunity	Risk: Policy and legal	Risk: Market	Risk: Physical	Opportunity: Resource efficiency	Opportunity: Energy source	Opportunity: Access to nature & sustainable development
Description	Changes to regulation requiring more energy efficient properties or affecting how energy efficiency is rated	Reduced demand for properties in favour of more energy efficient properties	Damage to properties through extreme weather events and reduced appeal of developments with limited access to green space	Improve the energy efficiency of properties	Use of lower-emission sources of energy	Green infrastructure and site design that enhance occupier wellbeing, asset appeal and long-term value
Likelihood	Medium	Medium	Low	High	Medium	Medium
Potential impacts	Increased expenditure on energy efficiency improvements	Reduced demand for properties leading to repricing of assets	Increased costs, write-offs and early retirement of existing assets, reduced attractiveness and value of developments	Increased demand leading to increased revenues and enhanced property values	Lower energy prices for tenants, reduced exposure to fossil fuels and carbon prices	Enhanced occupier wellbeing, improved asset appeal and value, and increased resilience
Time horizon	Medium- & Long-term	Medium-term	Long-term	Medium-term	Medium-term	Medium- & Long-term
Divisional commentary	UK housing portfolio maintains above average energy efficiency ratings. In Ireland green lease provisions are included in all new commercial property leases to improve energy and carbon data collection and identify areas for improvement	UK Housing is committed to delivering all new homes as a minimum of EPC B, with 80% of new homes funded in 2022 meeting EPC A. In the Irish commercial property market, increased occupier and investor demand for energy-efficient buildings is placing pressure on less efficient assets and reinforces the importance of our targeted brown-to-green upgrades to protect long-term value and marketability.	A key criterion in due diligence is whether properties are located in areas prone to flood risk. The Shared Ownership charter commits us to not building in areas of medium/high flood risk unless appropriate mitigation measures are implemented. Similarly, Gresham House Ireland seeks to avoid acquiring properties with material flood risk through robust pre-acquisition due diligence. Developments are also designed with occupier access to green space in mind.	UK housing is working with an external consultant to assess carbon reduction opportunities from retrofitting. Shared Ownership Charter targets increasing the number of homes delivered that meet the Future Homes Standard year on year. Gresham House Ireland actively supports the transition of existing properties from brown to green by monitoring BER ratings and developing costed energy-efficiency upgrade plans.	UK Housing increasing the number of homes with renewable energy generation on site and other energy efficiency measures (e.g. heat pumps). Gresham House Ireland is increasing the use of lower-emission energy across the portfolio through the rollout of solar panels, a corporate PPA, and EV charging at suitable buildings	UK Housing prioritises brownfield sites and, through our development partners, integrates trees, vegetation and green infrastructure into developments, supporting both resident wellbeing and reducing overheating risk. Gresham House Ireland also incorporates green infrastructure to enhance occupier wellbeing, biodiversity and the overall working environment.
Examples KPI/ trends to monitor	• Operational carbon emissions (tCO_2e) • Operational carbon intensity (tCO_2e/m2 floorspace) • Breakdown of EPCs and BERs by property type	• Breakdown of EPCs and BERs by property type • # properties with renewable electricity generation on site	• % properties in areas prone to flooding and other extreme weather events • Average cost of property insurance	• Breakdown of EPCs and BERs by property type • # properties with renewable electricity generation on site	• # properties with renewable electricity generation on site • Energy mix of tenanted properties	• Occupier satisfaction / wellbeing score

4 Prepare and implement

Our investments aim to deliver stable, secure inflation-linked returns whilst providing wider social and environmental benefits to all stakeholders including our occupiers, the local community and wider economy. The climate and nature findings set out above inform how we manage assets in support of that aim. This includes prioritising brownfield sites for new development, pursuing CRREM-aligned decarbonisation pathways and BREEAM certification, and applying Environmental Impact Assessments and habitat management plans ahead of development to identify and mitigate site-specific impacts.

Climate-related KPIs that are monitored include:

Metric	2024	2025
Total financed emissions (tCO_2e)	5,608	5,353
Carbon intensity (tCO_2e/£m invested)	14	14

Total emissions decreased by 5% from 2024 to 2025, from 5,608 to 5,353 tCO_2e, while carbon intensity remained stable.

Engagement

Proactive engagement is a core component of Gresham House's Real Estate strategy, supporting strong relationships with occupiers, tenants, and stakeholders to drive sustainability outcomes and foster long-term community wellbeing across our property portfolio.

Irish Commercial Property

Within our Irish commercial property portfolio, we maintain active and transparent relationships with occupiers, meeting regularly to support collaboration on sustainability initiatives. All new leases now incorporate green lease provisions, enabling the collection of key environmental data and supporting joint efforts to enhance energy efficiency, reduce environmental impact, and improve the overall workplace experience.

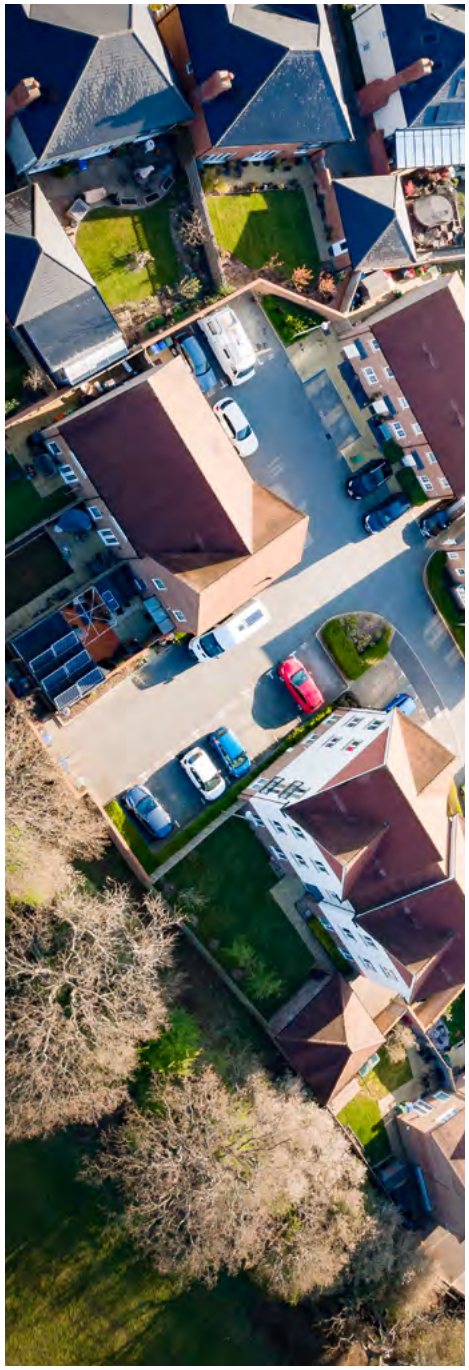
UK Housing

Our UK housing strategy focuses on delivering high-quality, affordable homes that offer long-term security for residents. Engagement activities span multiple stakeholder groups, from local authorities and housing associations to the residents themselves.

Our UK Housing team engages closely with Homes England, providing market feedback to help shape the forthcoming grant programme. The investment team holds monthly calls with its Homes England relationship manager, attends Partner Engagement Events and Investment Symposiums, and maintains regular dialogue with senior members of the Homes England team to ensure policy developments reflect market realities.

Resident engagement also plays a key role in asset management. We periodically distribute resident surveys to gather insights into service quality, resident satisfaction, and opportunities for improvement. Within our Shared Ownership portfolio, we maintain regular contact with shared owners to understand their experience across key moments such as marketing, move-in, property improvements, and staircasing. This feedback is used to inform service enhancements and address emerging concerns.

To further strengthen resident engagement, our ReSI Homes platform is partnering with Touchstone, an experienced property manager, to implement a digital portal and mobile app. This will allow residents to access property information, raise queries, access account information, make payments, and log maintenance requests in a streamlined and transparent way. The BSI Housing team worked with Leeds City Council to define a Local Lettings Policy for the discounted market rent (DMR) apartments at the latest development in the Fund, Spinners Yard. The Policy will govern the terms of leasing the units, helping to enhance the provision of affordable housing in the area. Finally, the UK Housing team continues to collaborate with The Good Economy through its participation in the Equity Impact Project (EIP), developing a shared impact reporting framework for the affordable housing sector.



Case study

Real estate engagement:

HVRF system upgrade

Context

No.1 Tuansgate

Located at Belgard Square East, Tallaght, Dublin

Improve the building's environmental performance

The existing VRF air conditioning system had contributed to a BER rating of D1

At No.1 Tuansgate, Gresham House identified an opportunity to improve the building's environmental performance and address a future regulatory risk. The existing VRF air conditioning system relied on higher Global Warming Potential refrigerants, was energy inefficient, and had contributed to a BER rating of D1. Evolving F-Gas regulations presented a further compliance risk if the system remained in place.

Activity

HVRF upgrade

The asset management and property management teams worked alongside mechanical and electrical consultants, specialist HVAC contractors and building occupiers to deliver a full upgrade, replacing the existing installation with a lower-carbon Hybrid VRF system. The project was completed as part of the fund's operational asset improvement programme.

A full upgrade, replacing the existing installation with a lower-carbon Hybrid VRF system

Outcome

The upgrade delivered a significant improvement in the building's energy performance rating, moving from D1 to B3. The new system uses R32 refrigerant, aligned with lower Global Warming Potential requirements, and is expected to deliver more than 80% reduction in CO_2 equivalent compared with traditional systems and up to 40% reduction in refrigerant usage relative to the R410A VRF systems it replaced. Long-term operational performance and energy savings data are being collected, with tenant feedback on system performance also being monitored.

The new system uses R32 refrigerant, aligned with lower Global Warming Potential requirements

Expected to deliver more than 80% reduction in CO_2 equivalent compared with traditional systems and up to 40% reduction in refrigerant usage

Case study

Real estate:

Achieving the Fitwel 3 Star certification

Context

The Ironworks

Located in Sheffield, South Yorkshire.

Pursued Fitwel certification for the first time under the Fitwel v2.1 Multifamily Residential Built scorecard

At The Ironworks, a multifamily residential building in Sheffield, Gresham House and BSI Housing portfolio company Rise Homes pursued Fitwel certification for the first time under the Fitwel v2.1 Multifamily Residential Built scorecard. As an as-built assessment, all required measures needed to be fully in place and evidenced at the point of submission. An initial review identified that further targeted action would be needed within a tight delivery window to achieve a 3 Star rating.

Activity

Multifamily residential building

Gresham House appointed RLB to undertake the assessment, including an initial review and gap analysis against the scorecard. This identified specific opportunities to strengthen resident health and wellbeing outcomes and improve the overall score. In response, a series of enhancements were implemented: additional drinking water points, water quality and indoor air quality testing, improved lighting to external terrace areas, amenity displays highlighting local services available to residents, provision of defibrillators, and the development of a resident health and wellbeing programme. Existing building policies and procedures were also reviewed and mapped against Fitwel requirements, identifying measures with potential application to other assets in the portfolio.

Outcome

Highest-scoring Multifamily Residential Built v2.1 assessment of the year.

Exceeded the 3 Star threshold 125 with a final score of 126

The Ironworks achieved Fitwel 3 Star certification with a final score of 126, exceeding the 3 Star threshold of 125. The project received a Fitwel award for the highest-scoring Multifamily Residential Built v2.1 assessment of the year. The measures and documentation developed through the process provide a framework for replication across other residential assets.

7 Strategic Equity

Public Equity

Our Strategic Equity division, with £2.4bn of AUM as at 31 December 2025, targets strong long-term returns across public and private equity by applying a private equity approach to investing in both public and private companies. The equity investment teams actively engage with company management teams and apply rigorous due diligence to develop a deep understanding of each company, with active ownership fundamental to how we invest: we exercise the rights available to us, including board representation, voting, escalation and engagement, with the intention of protecting and enhancing long-term value for clients.

Public Equity

Our Public Equity strategies maintain regular dialogue with management and follow a structured engagement process focused on material issues and clear objectives.

During 2025, we worked with Addidat to integrate an ESG scoring mechanism into the platform to assess AIM and UK small-cap companies. This supports pre-investment due diligence and ongoing engagement activity.

Real world outcomes

Metric	2024	2025
UK management teams met (%)	100	100
Irish management teams met (%)	54	55
ESG engagements (management teams met, total)	95	98
of which UK	43	38
of which Ireland	52	60

Private Equity

Private Equity

Gresham House's Private Equity strategy is delivered through the Gresham House Ventures platform, utilising Venture Capital Trust and Private Equity capital. As the second largest VCT provider in the UK, we are an active investment partner to more than 85 companies, and in 2025 Gresham House Ventures committed £63mn across 19 private and public companies.

Our Private Equity ESG process is built around an annual ESG Survey across all portfolio companies, used both to support companies' own sustainability ambitions and to identify areas where we believe improvements are needed. A 100-day post-investment plan is developed for each new investment to address material ESG risks identified in due diligence.

Real world outcomes

Metric	2024	2025
Unquoted portfolio companies engaged with (%)	100	100
Unquoted portfolio companies engaged with (#)	68	69
Portfolio company boards attended as a member or observer (%)	81	84
Average holding period of unquoted investments (years)	5.2	5.2

Case study

Strengthening governance over site selection

Spinners

Activity

Spinners

Operating three competitive socialising venues outside London

Establishing a structured approach

Following Gresham House Ventures' investment in Spinners in June 2025, the team turned its attention to the company's site rollout strategy. Spinners operates three competitive socialising venues outside London and was planning to deploy the investment capital to open additional sites, but at the point of investment there was no formal board structure in place, with an incoming Non-executive Chair due to join shortly after completion.

Given the strategic and commercial significance of site selection decisions, Gresham House Ventures and management agreed to pause commitments on future locations until the new Chair and board were in a position to establish a formal decision-making framework.

This resulted in the introduction of a site report template and a structured presentation and sign-off process, creating clearer accountability and board-level challenge for expansion decisions.

STRATEGIC EQUITY

How sustainability is embedded

Across both private and public markets, Gresham House applies a rigorous ESG integration process rooted in long-term value creation. Our engagement-first approach allows us to influence company management on material ESG risks and opportunities, while aligning with our sustainable investment framework.

Governance ('G') is a critical component of our investment process. We meticulously assess factors such as board composition, governance structures, executive remuneration, shareholder rights, and company culture to ensure alignment with best practices. Strong governance frameworks contribute to better decision-making, risk management, and sustainable business growth.

Environmental ('E') and Social ('S') factors are evaluated as potential risk elements during due diligence. We aim to identify and mitigate environmental and social risks that could adversely affect investment performance. If certain risks are deemed unmanageable through engagement or governance enhancements, we may decide not to proceed with the investment.

ESG integration process

Initial appraisal

Identify material ESG matters requiring further investigation during due diligence. If certain risks are unlikely to be sufficiently managed or mitigated, we may choose not to proceed at this stage.

Due diligence

Utilising our ESG Decision Tool and engaging with management, we assess material ESG risks and opportunities that could drive value. Specialised consultants may be employed to provide additional insights.

Investment appraisal

A summary of the ESG analysis is included in every Investment Committee submission. We outline appropriate risk mitigation strategies and ensure that the business is receptive to implementing necessary improvements.

Ownership and engagement

Public Equity: We engage regularly with boards and management teams, focusing on strategic, financial, and operational matters, including ESG factors, and consistently exercise our voting rights.

Private Equity: A 100-day post investment plan is developed to address immediate risks identified during due diligence. We conduct an annual ESG Survey, and we leverage our position as board members and active investors to influence management in proactively addressing longer-term risks and opportunities.

Case study

Strategic M&A

Connect Earth

Context

Connect Earth

ESG data and analytics business

Ongoing monitoring identified a structural shift in the ESG data market

Connect Earth, an early-stage ESG data and analytics business helping financial institutions understand the sustainability profile of their customer activities, has been backed by Gresham House Ventures since 2023. By 2025 it had achieved material commercial progress, including positive revenue growth validating its core technology, but ongoing monitoring identified a structural shift in the ESG data market demand consolidating around solutions linked to regulatory reporting, while smaller standalone providers faced growing challenges securing funding and scale.

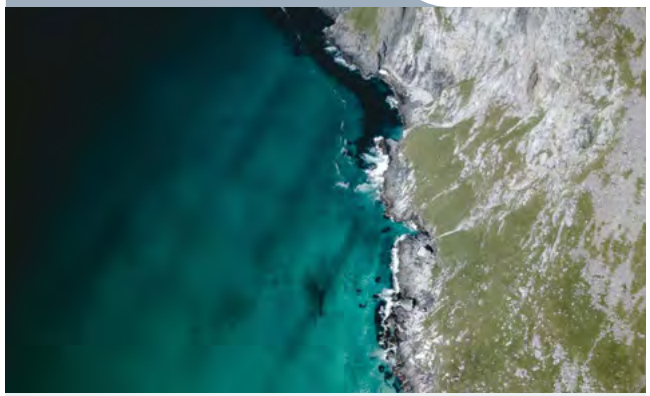
Activity

Supporting a strategic merger

This assessment informed a structured engagement with management to explore strategic options, leading to a proposed merger with a complementary ESG regulatory reporting platform as the most credible path to scale. Gresham House played an active role in evaluating and progressing the transaction: providing constructive challenge on the strategic rationale and testing assumptions against alternative scenarios, overseeing due diligence across commercial, financial, legal and technical workstreams, engaging with co-investors on transaction structure and funding requirements, and supporting management on merger terms and post-merger integration planning.

A structured engagement with management to explore strategic options, leading to a proposed merger with a complementary ESG regulatory reporting platform

Outcome



The merger was agreed in September 2025 as a share-for-share transaction, with the combined entity expanding its product offering across carbon data analytics and regulatory ESG reporting and broadening its reach into asset and wealth management client segments. This delivered combined annual recurring revenue approximately double that of the standalone business at investment, a broader regulation linked product suite positioned for continued regulatory tailwinds, an expanded customer base across institutional financial services, and strong post-merger client retention supporting confidence in integration execution.

Combined annual recurring revenue approximately double that of the standalone business at investment

Integrated climate and nature assessment

The Strategic Equity investment strategies integrate climate and nature-related considerations as part of their material risk assessment and engagement analysis. While these strategies do not target specific environmental outcomes, we recognise the growing relevance of climate and nature risks to long-term value creation.

Consistent asset level location data is not available across our listed and private equity holdings. We therefore take a sector-level approach, rather than the site level analysis applied across our real assets strategies.

1 Locate sensitive assets

We use ENCORE screening to identify the sectors most likely to interact materially with nature. This provides us with an initial understanding of where nature risk is concentrated across the portfolio and informs our engagement priorities.

2 Evaluate impacts and dependencies

For Public Equity, ENCORE screening indicates that companies operating in materials, utilities and industrials sectors present the highest baseline impacts and dependencies on nature, particularly around land use, water use and localised air or soil emissions.

For Private Equity, the direct operations of early-stage services or digital businesses typically carry a low environmental footprint, but their indirect upstream and downstream value chains, particularly Tier 1 and Tier 2 suppliers involved in electronics manufacturing, transportation and construction, present more material impact areas that require engagement further up the supply chain than company-level dialogue alone would reach.

3 Assess risks and opportunities

Strategic Equity is not included in our site-based portfolio climate scenario analysis because consistent geolocation data is not available across the holdings. Instead, we assess transition and physical risks using sector and industry benchmarks, such as carbon intensity and nature impacts and dependencies by GICS and ISIC sector and industry, supplemented by direct engagement with portfolio companies on their own risk assessments.

4 Prepare and implement

Our Private Equity ESG survey and Public Equity data platform continues to provide the investment teams with the information needed to assess these risks, with specific questions included as part of initial due diligence and forming the basis of ongoing engagement with companies.

This year, we have also begun applying the alignment frameworks set out in our Climate and Nature Strategy: the IIGCC Net Zero Investment Framework for Public Equity, which assesses whether a listed company is achieving net zero, aligned, or aligning based on its disclosures and emissions trajectory; and the Venture Climate Alliance Portfolio Alignment Framework for Private Equity, which sets more flexible milestones scaled to a company's size and maturity. The distinction matters in practice, since a listed industrial company and an early-stage software business face very different expectations, resources, and starting points when it comes to managing climate and nature risk, and applying a single framework across both would risk being either too lenient for the former or unworkable for the latter.

We calculate and monitor portfolio emissions across both Private and Public Equity strategies

	Metric	2024	2025
Public Equity	Scope 1 & 2 emissions (tCO_2e)	45,343	68,712
	Scope 3 emissions (tCO_2e)	342,118	221,966
	Carbon intensity (tCO_2e/£m invested)	272	179
Private Equity	Scope 1 & 2 emissions (tCO_2e)	12,327	4,838
	Scope 3 emissions (tCO_2e)	40,980	25,522
	Carbon intensity (tCO_2e/£m invested)	103	79

Scope 1 & 2 emissions attributed to our Public Equity strategy increased in 2025, while Scope 3 emissions fell by a greater amount, resulting in a net fall in total emissions and carbon intensity. These movements reflect a combination of changes in portfolio composition and improved company level data reducing reliance on industry-based estimates.

Total emissions attributed to our Private Equity strategy fell by 43%, from 53,307 tCO_2e in 2024 to 30,361 tCO_2e in 2025 while carbon intensity fell from 103 to 79 tCO_2e/£m invested. The footprint remains concentrated in a small number of holdings in food, consumer manufacturing and equipment services, with the majority of the portfolio operating in lower-emitting software and services sectors.

Climate and nature risks and opportunities: Strategic Equity

Risk and Opportunity	Risk: Supply chain disruption	Risk: Nature dependency	Opportunity: Products and services	Opportunity: Governance
Description	Climate and nature-driven disruption to portfolio company supply chains, affecting input costs and earnings resilience	Direct and indirect dependency of portfolio companies on ecosystem services that could become disrupted as nature loss accelerates	Improved performance for companies aligned with the transition to a low carbon, nature positive economy	Value creation benefits from embedding climate and nature governance early in a private company's growth trajectory
Likelihood	Medium	Medium	High	High
Potential Impacts	Increased input costs, reduced margins, investment risk	Increased input costs or reduced productivity	Increased exposure to structurally growing themes	Improved disclosure readiness; potential valuation benefit at exit
Time horizon	Medium- & Long-term	Medium- & Long-term	Short- & Medium-term	Medium- & Long-term
Divisional commentary	Supply chain risk, of which ESG is one component, is assessed through due diligence via our ESG Decision Tool screening and is monitored on an ongoing basis through our risk matrix	Nature impacts and dependencies have been incorporated into our risk matrix and are monitored on an ongoing basis	All new fund investments require a company note setting out thematic alignment	Stage-based alignment approach embeds baseline GHG measurement and board oversight within a reasonable period of investment
Examples KPI/ trends to monitor	• Exposure to tariff changes • Supply chain complexity • Geographic concentration	• % of AUM assessed for material nature impacts & dependencies	• % of AUM aligned to sustainable themes • % of AUM net zero aligned or aligning	• % of portfolio companies with board-level environmental oversight

Case study

Integrating physical climate risk
into investment decision-making

Activity

Material physical climate risk
Linked to pricing volatility and supply vulnerability

During an assessment of a manufacturer of natural ingredient extracts, the investment team identified a material physical climate risk linked to the pricing volatility and supply vulnerability of natural ingredients, particularly citrus. The team considered this exposure relevant in the context of increasing climate-related disruption to crop yields and the potential impact on input costs and earnings resilience. This factor was incorporated into the team's broader fundamental analysis and, alongside other considerations, contributed to the decision not to progress the investment opportunity.

Case study

Active ownership:
voting against management at Anexo plc

Activity

Anexo plc
Gresham House voted against a management resolution at Anexo plc

In September 2025, Gresham House voted against a management resolution at Anexo plc to cancel its admission to trading on AIM and re-register the company as a private limited company, in connection with a proposed take private transaction.

The proposed delisting raised immediate governance concerns. Taking a company private removes the protections associated with a public listing, reduces reporting transparency and materially limits liquidity for minority shareholders. The investment team considered these factors significant: in its assessment, the transaction was not structured in a manner that adequately protected the interests of minority shareholders, and the governance standards available to public market investors would be weakened as a result.

Gresham House used its voting rights to formally oppose the resolution, providing a transparent and documented means of registering its dissent. The vote was supported by voting records from September 2025.

While the transaction proceeded, the case demonstrates how Gresham House deploys voting as a stewardship tool where a proposed corporate action raises material governance concerns. It reflects a clear and consistent position: that minority shareholder rights warrant active defence, and that take-private transactions which erode public market protections warrant formal opposition regardless of outcome.

Voting and engagement

Voting

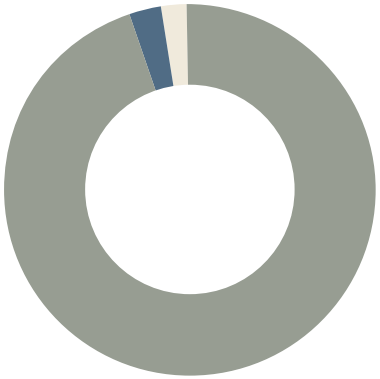
Voting is a fundamental stewardship responsibility for our Public Equity investments. We believe that effective voting enhances corporate governance, strengthens accountability, and supports long-term shareholder value creation. Our approach is guided by our Engagement and Voting Policy.

We do not rely on proxy advisor recommendations to determine how we vote, but use proxy platforms for vote execution, and we do not engage in stock lending, ensuring we retain full voting rights across all listed holdings at all times.

Key reasons for votes against management in 2025 included resolutions that did not meet our voting policy requirements, such as non-pre-emptive share issuance thresholds; the proposal of transactions we did not support, where we believed they were not in the best interest of shareholders or long-term value creation; and resolutions allowing political donations.

Our full voting records for 2025 are published at greshamhouse.com/sustainable-investing.

UK equities 2025

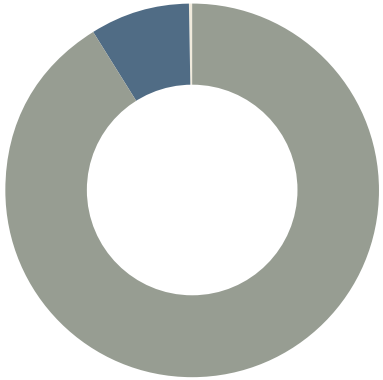


Resolutions voted on: 100%

- Votes supporting management: **95%**
- Votes against management: **2.7%**
- Abstentions: **2.5%**

In 2024, we voted on **100%** of resolutions, with **95%** of votes in favour of management, **4%** against management and **1%** abstentions.

Irish equities 2025



Resolutions voted on: 100%

- Votes supporting management: **91%**
- Votes against management: **8.5%**
- Abstentions: **0.1%**

In 2024, we voted on **100%** of resolutions, with **94%** of votes in favour of management, **6%** against management and **0%** abstentions.

Engagement

Engagement is a core element of our active ownership approach, allowing us to influence corporate behaviour and ensure our investments align with long term value creation. We believe that open and constructive dialogue with company management strengthens governance, improves business performance, and mitigates risks.

We engage with companies on a wide range of topics, including:

- Board composition and governance structures
- Climate-related risk management and net-zero commitments
- Diversity, Equity, and Inclusion (DEI) policies
- Executive remuneration and shareholder rights
- Social responsibility and supply chain practices

We encourage an open and honest dialogue between ourselves and the companies in which we invest as this is an essential part of being an effective steward of the investments we make. Investing in smaller businesses means we place great importance on our ability to work with company management through engagement activity to make improvements and protect long-term value.

Engagement process

Our Public Equity team follows a six-step engagement process, ensuring that all interactions are monitored, recorded and assessed against a set of objectives:

- **Materiality:** Determine key engagement topics and prioritise companies based on materiality
- **Engage:** Initiate discussions with company management to drive positive change with a clear objective
- **Prioritise:** Assess which engagement activities will have the most meaningful impact
- **Monitor & respond:** Track progress, escalate concerns if necessary, or adjust our investment stance
- **Plan:** Develop an engagement strategy tailored to the company's risks and opportunities
- **Report:** Disclose engagement outcomes in our annual reporting

Prioritisation of engagement

Engagements are prioritised based on the following factors:

- **Shareholding size** – Larger stakes provide greater influence and stronger engagement opportunities.
- **Materiality** – Issues that significantly impact business value, such as climate transition risks or governance failings, take priority.
- **Company exposure** – We focus on holdings with the most meaningful impact on fund performance and net asset value.
- **Alignment with Corporate Sustainability Strategy** – Prioritisation is influenced by Gresham House's key sustainability themes, including climate action and responsible business practices.

8 Carbon Footprint

Gresham House Carbon Footprint

We measure greenhouse gas emissions across our corporate operations and investment activities. During 2025, we expanded our Scope 3 operational footprint to include Category 1 Purchased Goods and Services and refined the attribution of financed emissions across our funds. We have restated 2024 data where possible to support year on year comparison. Changes between reporting periods therefore reflect both movements in underlying emissions and improvements in data and methodology.

Total group emissions decreased by 21%, from 1,045,354 tCO_2e in 2024 to 831,085 tCO_2e in 2025. This is driven by the **21% decrease in our financed emissions, which account for over 99% of our footprint**, and fell from 1,043,836 tCO_2e in 2024 to 829,349 tCO_2e in 2025. Operational emissions increased by 14% from 1,518 tCO_2e in 2024 to 1,736 tCO_2e in 2025, primarily due to increased business travel.

This section presents Scope 1, 2 and 3 emissions for our corporate operations and material investment activities, together with relevant intensity metrics and supporting context, in line with the FCA's climate related disclosure requirements.

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. Figures for 2024 have been restated where possible to reflect methodological improvements introduced in 2025.

	2024	2025
Scope 1 (tCO_2e)	117	92
Scope 2 (market-based) (tCO_2e)	33	14
Scope 2 (location-based) (tCO_2e)	24	25
Scope 3 (tCO_2e)	1,368	1,629
Total operational emissions (market-based)	1,518	1,736
Total financed emissions	1,043,836	829,349
Total group emissions	1,045,354	831,085

Figures are rounded to the nearest tonne of CO_2e and may not sum exactly.

Carbon footprint of our corporate operations

As an office-based business, our direct footprint is small relative to the emissions financed through our investments. We nevertheless recognise the importance of taking responsibility for our direct emissions and continue to reduce our operational footprint, principally through office energy procurement and waste management.

Methodology

We use actual data where available, including utility bills for office energy use. For business travel, we use distance data for flights and personal vehicles, and expense data for taxis and trains.

We disclose both market-based and location-based Scope 2 emissions in line with the GHG Protocol Scope 2 Guidance. Total operational emissions are reported on a market-based basis, reflecting the renewable electricity supply contracts in place across our offices.

2025 performance

Operational emissions increased by 14% to 1,736 tCO_2e, primarily due to increased business travel as our international activity expanded. Operational carbon intensity increased slightly, from 17.59 to 18.94 tCO_2e/£m revenue.

Combined Scope 1 and market-based Scope 2 emissions decreased by 29% to 107 tCO_2e, reflecting renewable electricity supply contracts and lower gas consumption. Market-based Scope 2 emissions decreased by 58% following the transition of our Edinburgh office to fully renewable electricity, while location based Scope 2 emissions were broadly unchanged.

Total energy use decreased by 9% to 915 MWh (2024: 1,003 MWh). Emissions from purchased goods and services also increased year on year. This reflects a combination of improved supplier mapping, which has increased the accuracy of our measurement, and changes in underlying spend.

Carbon emissions

	2024	2025
Total carbon emissions (Scope 1, 2 & 3) (tCO_2e)	1,518	1,736
Scope 1 emissions (tCO_2e)	117	92
Scope 2 emissions (tCO_2e)	33	14
Scope 3 emissions (tCO_2e)[11]	1,368	1,629
3.1 Purchased goods and services	923	1,080
3.3 Fuel and energy related activities	43	42
3.6 Business travel	244	353
3.7 Employee commuting	157	154
Emissions intensity (tCO_2e/£m revenue)	17.59	18.94
Carbon intensity (tCO_2e/full time employee)	7.00	8.23

Energy use

	2024	2025
Total energy use (Scope 1, 2 & 3) (MWh)	1,003	915
Scope 1 energy use (MWh)	423	376
Scope 2 energy use (MWh)	238	228
Scope 3 energy use (MWh)	342	311

[11] Purchased Goods and Services (Category 1) has been included in our reported Scope 3 emissions for the first time. We calculated an initial estimate for 2024 but did not previously disclose it. During 2025, we improved the integration of financial data into our carbon accounting platform, increasing the completeness, accuracy and reliability of the underlying activity data. We have therefore reported figures for both 2024 and 2025 and included them within our Scope 3 totals. The 2024 figure is subject to greater estimation uncertainty than the 2025 figure, and changes between the two years should therefore be interpreted in the context of this improvement in data quality.

Carbon footprint of our investments

Methodology

The data used to calculate the emissions of our investments vary by strategy:

- **Forestry:** emissions intensity is calculated using actual data from a representative sample of forests. This includes data from onsite activities, which can fall under Scope 1, 2 and 3, and supply chain emissions from our nurseries and sawmills, which fall under Scope 3.
- **Sustainable Infrastructure:** emissions data is collected from portfolio companies, with most footprints calculated through Watershed. Some companies also provide their own Scope 1, Scope 2 and, where available, Scope 3 emissions.
- **Energy Transition:** operational data from our operations and management teams and site managers is used to estimate emissions.
- **Real Estate:** actual emissions data is collected from our Irish commercial properties. UK Housing emissions are estimated using intensity calculations based on floor area, as tenant emissions data is not currently available.
- **Strategic Equity:** a mix of reported emissions and calculated intensity using sectoral averages and company revenue where carbon footprint data is not published.

Total attributed Scope 1, 2 and 3 emissions split by strategy

	2024	2025
Scope 1 & 2 emissions (tCO_2e)	110,981	133,686
Scope 3 emissions (tCO_2e)	932,855	695,664
Carbon intensity (Scope 1, 2 & 3 tCO_2e/£m invested)	152	123
Weighted Average Carbon Intensity (WACI) (Scope 1, 2 & 3 tCO_2e/£m revenue)[12]	4,787	3,511
PCAF Data quality score	2.47	2.37

Financed emissions by strategy (tCO_2e)	2024 Emissions (tCO_2e)	2025 Emissions (tCO_2e)	2025 %
Forestry (Natural Capital)	331,095	341,990	41.24%
Energy Transition	197	7,529	0.91%
Sustainable Infrastructure	266,169	153,440	18.50%
Real Estate	5,608	5,353	0.65%
Strategic Equity	440,767	321,038	38.71%
Total	1,043,836	829,349	

Our financed emissions methodology is aligned with the PCAF Global GHG Accounting & Reporting Standard for the Financial Industry.

Attribution factors are applied to each asset's Scope 1, Scope 2 and, where possible, Scope 3 emissions. We refined the attribution methodology across relevant funds during 2025, including the treatment of Gresham House Energy Storage Fund plc described in the Energy Transition section.

Alongside absolute emissions, we disclose:

- **Carbon emissions intensity:** measures emissions per unit of capital invested, expressed as tCO_2e/£m invested.
- **Weighted average carbon intensity (WACI):** measures a portfolio's exposure to carbon-intensive companies, expressed as tCO_2e/£m revenue.

2025 performance

Financed emissions decreased by 21% from 2024 to 2025. Scope 3 emissions decreased by 25%, while Scope 1 and 2 emissions increased by 20%. The year-on-year movement reflects changes in portfolio activity alongside improvements in reported data and attribution methodology.

The principal movements were:

- ·Sustainable Infrastructure emissions decreased by 42%, reflecting improvements in the emissions data reported by portfolio companies.
- ·Strategic Equity Scope 3 emissions decreased, offsetting higher Scope 1 and 2 emissions within the portfolio.
- Energy Transition emissions increased as additional assets entered operation or were reported for a full year.

Carbon emissions intensity decreased by 19%, from 152 to 123 tCO_2e/£m invested. Weighted average carbon intensity decreased by 27%, from 4,787 to 3,511 tCO_2e/£m revenue. Our PCAF data quality score improved from 2.47 to 2.37[13], reflecting greater use of reported asset-level emissions data rather than estimates.

Figures for 2024 have been restated on an attributed basis and, where possible, recalculated using the methodology applied in 2025. Real Estate and Strategic Equity include both UK and Ireland funds in both years.

[12] WACI is calculated across those fund groups that report a revenue-based intensity. Real Estate and Real Estate Ireland do not, and are excluded, giving coverage of 99.5% of attributed emissions in 2024 and 98.0% in 2025. All other measures in this table are stated across all fund groups.

[13] PCAF scores are assessed on a 1–5 rating system, with 1 being the highest quality and 5 the lowest.

9 People

Gresham House: People

Gresham House is privately owned, and our employees hold a 28% stake in the business. Almost half of our people invest their own capital through our Management Equity Plan. This aligns the interests of those making investment decisions with the clients whose capital they manage, over the same horizons.

Our 2025 employee engagement survey achieved an 85% participation rate. The employee advocacy score was 69% (2024: 69%), and 89% of employees said they know how their work contributes to the Group's goals. Our new joiner survey recorded an 85% favourable onboarding experience and a 96% positive experience of one-to-one meetings with managers.

We are committed to building a diverse, equitable and inclusive workplace to attract and retain individuals that are aligned with our business ambitions. Our diversity, equity and inclusion strategy focuses on:

- Talent attraction
- Recruitment and selection
- Career development, training, recognition and culture

Our people in numbers

Women in senior management

32%

Ethnic minority employees

17%

Employee advocacy score

69%

Corporate charitable giving (£'000)

50

Employees using Give as You Earn

10%

Community and charitable engagement

We support charitable organisations and community initiatives that reflect the priorities of our employees and the communities in which we operate.

Our charity partners in 2025

RSBC

Royal Society for **Blind Children**

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

Campaign Against Living Miserably (CALM), who work to improve mental health and wellbeing, particularly amongst men, in the UK and provide a free, confidential, and anonymous helpline to support people who are struggling or in crisis.

Employee giving

Employees can support these or other charities 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.

Corporate charitable giving totalled £50,000 in 2025 (2024: £59,000), with 10% of employees participating in Give as You Earn.

In Ireland we support initiatives and charities selected by our employees for their importance to local communities. These included the Jack and Jill Children's Foundation, Cricket Leinster juniors, Kildare Ladies Gaelic Football Association and Ranelagh Gaels GAA Academy.

10 Appendix

Framework index[14]

This table maps the content of this report against the TCFD recommendations (as incorporated into IFRS S2), the TNFD recommendations and the UK Stewardship Code 2026.

Section	Sub-section	Stewardship Code Principles	TCFD	TNFD	Page
Introduction	A word from the Chief Executive	1			4
	Advancing our sustainability approach	1			5
	About Gresham House	1			7
	New acquisitions				8
	Contributions to the industry	1,2			9
	Putting our clients at the centre of what we do	1			11
Strategy	Strategy	1, 2	Strategy	Strategy	15
	Climate and Nature	1, 2, 3	Strategy, Metrics & Targets	Strategy, Metrics & Targets	17
	People	1			18
	Governance and Conduct	1, 2, 4	Governance	Governance	19
	AI and Technology	1			19
Governance	Governance framework for sustainability	1, 2	Governance	Governance	21
	Investment ownership and accountability	1, 2, 4	Governance	Governance	22
Risk	Risk management	1,2	Risk Management	Risk & Impact Management	24
	Integrated climate and nature assessment	1,2	Strategy, Risk Management	Strategy, Risk & Impact Management	25
Natural Capital: Forestry	Forestry	1, 3	Metrics & Targets	Metrics & Targets	30
	How sustainability is embedded	1, 2, 3, 4, 6	Risk Management	Risk & Impact Management	31
	Integrated climate and nature assessment	1			33
	1. Locate sensitive assets	2	Strategy	Strategy	33
	2. Evaluate impacts and dependencies	2	Strategy	Strategy	33
	3. Assess risks and opportunities	2	Risk Management	Risk & Impact Management	34
	4. Prepare and implement	1, 2, 3, 5, 6	Metrics & Targets	Metrics & Targets	38
	Engagement	3			38

[14] This is our principal annual sustainability disclosure for the period 1 January to 31 December 2025. Approved by senior management, it satisfies Gresham House Asset Management Limited's FCA TCFD-aligned entity level disclosure requirements and is prepared with reference to IFRS S1 and S2 and the TNFD recommendations; we do not claim compliance with IFRS S1 or S2. Acquisitions completed after 31 December 2025 are described where relevant to explain the enlarged platform but are not consolidated into 2025 sustainability performance data unless explicitly stated. The Appendix maps the report to the principal reporting frameworks used.

Section	Sub-section	Stewardship Code Principles	TCFD	TNFD	Page
Real Assets: Energy Transition	Energy Transition	1, 3	Metrics & Targets	Metrics & Targets	42
	How sustainability is embedded	1, 2, 3, 4	Risk Management	Risk & Impact Management	43
	Integrated climate and nature assessment	1			44
	1. Locate sensitive assets	2	Strategy	Strategy	44
	2. Evaluate impacts and dependencies	2	Strategy	Strategy	44
	3. Assess risks and opportunities	2	Risk Management	Risk & Impact Management	45
	4. Prepare and implement	1, 2, 3	Metrics & Targets	Metrics & Targets	47
	Engagement	3, 6			47
Real Assets: Sustainable Infrastructure	Sustainable Infrastructure	1, 3	Metrics & Targets	Metrics & Targets	50
	How sustainability is embedded	1, 2, 3, 4	Risk Management	Risk & Impact Management	51
	Integrated climate and nature assessment	1			54
	1. Locate sensitive assets	2	Strategy	Strategy	54
	2. Evaluate impacts and dependencies	2	Strategy	Strategy	54
	3. Assess risks and opportunities	2	Risk Management	Risk & Impact Management	55
	4. Prepare and implement	1, 2, 3	Metrics & Targets	Metrics & Targets	57
	Engagement	3			57
Real Assets: Real Estate	Real Estate	1, 3	Metrics & Targets	Metrics & Targets	61
	How sustainability is embedded	1, 2, 3, 4, 5	Risk Management	Risk & Impact Management	62
	Integrated climate and nature assessment	1			64
	1. Locate sensitive assets	2	Strategy	Strategy	64
	2. Evaluate impacts and dependencies	2	Strategy	Strategy	64
	3. Assess risks and opportunities	2	Risk Management	Risk & Impact Management	65
	4. Prepare and implement	1, 2, 3	Metrics & Targets	Metrics & Targets	67
	Engagement	3, 6			67

Section	Sub-section	Stewardship Code Principles	TCFD	TNFD	Page
Strategic Equity	Public Equity	1, 3,	Metrics & Targets	Metrics & Targets	71
	Private Equity	1, 3	Metrics & Targets	Metrics & Targets	72
	How sustainability is embedded	1, 2, 3, 4	Risk Management	Risk & Impact Management	74
	Integrated climate and nature assessment	1			76
	1. Locate sensitive assets	2	Strategy	Strategy	76
	2. Evaluate impacts and dependencies	2	Strategy	Strategy	76
	3. Assess risks and opportunities	2	Risk Management	Risk & Impact Management	76
	4. Prepare and implement	1, 2, 3	Metrics & Targets	Metrics & Targets	76
	Voting and engagement	3, 4, 6			79
Carbon Footprint	Carbon Footprint	1	Metrics & Targets	Metrics & Targets	81
People	People	1			85
	Community and charitable engagement	1			86