Gresham House Energy Storage Fund plc

Public Product-Level Sustainability Report — Part B — 2026

1. Fund details

Fund name	Gresham House Energy Storage Fund plc ("GRID" or "the Company")
Manager	Gresham House Asset Management Limited
Sustainability label	Sustainability Focus
Date of report	7 September 2026
Reporting period	1 January 2025 to 31 December 2025

The label was first used on 7 May 2025, confirmed by Compliance. The first Part B report is accordingly due within 16 months of that date — by 7 September 2026.

2. Sustainability objective

The Company invests in a portfolio of utility-scale Energy Storage Systems ("ESS"), which utilise batteries across Great Britain and the Overseas Jurisdictions. The Company's aim is to invest in ESS assets that facilitate the transition towards a more resilient and lower carbon energy system by storing excess energy that would otherwise be lost (the "Sustainability Objective").

A minimum of 80% of the gross value of the Company's assets will be invested in line with the Sustainability Objective. The Company may also invest up to 20% in cash, other investments and instruments that will not be aligned with the Sustainability Objective but otherwise fall within the Investment Policy, provided that they do not conflict with the Sustainability Objective.

3. Financial risk and return

There is no anticipated material effect on the financial risk and return of the Company as a result of the Manager applying the Sustainability Objective.

4. Negative environmental and social outcomes

The delivery of ESS has the potential to cause the following social and environmental impacts. Mitigants are set out below, each evidenced in the Company's own disclosures.

Potential negative outcome	**Mitigant**
Resource extraction for battery materials could result in habitat destruction, water pollution and high carbon emissions	Each aligned asset is assessed via the ESG Decision Tool against responsible sourcing of battery materials, as set out in the Company's CFD.
Fire risk causing environmental contamination and air quality issues	Following the Rufford incident (see Section 11, Escalation), Confirmed that each site adheres to safety regulations, in line with insurance requirements.
Unsafe disposal of batteries as they reach end of life	Each aligned asset is assessed via the ESG Decision Tool against end-of-life management, as set out in the Company's CFD.
Emissions generated from legacy assets including gas engine technology	Limited to the single Staunch asset (c.2% of the portfolio by MW); the Company is committed to not investing in further assets of this kind, and Staunch's Scope 1 emissions are separately disclosed in Section 8.

Potential negative outcome	Mitigant
Human rights and supply chain concerns when sourcing materials	The Manager applies due diligence and contractual standards to key suppliers and contractors, including modern slavery expectations, under its Supplier Code of Conduct for energy transition activities.
Community impacts due to fires or leakage of toxic material for local residents	The Manager's Energy Transition Sustainable Investment Policy commits to community-led initiatives and an open forum of communication with community stakeholders across the Company's assets.
Community conflicts due to the size of ESS projects or assets being unsightly to local residents	As above — ongoing stakeholder consultation and engagement is applied under the Manager's Energy Transition Sustainable Investment Policy, including public consultation processes referenced in that Policy.

5. Progress against the sustainability objective

As at 31 December 2025, 98.13% of the Company's portfolio by MW, and 99.09% by NAV, was invested in ESS-only assets aligned with the Sustainability Objective, exceeding the 80% minimum threshold.

Each aligned asset derives all of its revenue from ESS activities and was confirmed, via the Manager's ESG Decision Tool assessment at initial investment, to support the transition to a low-carbon energy system and to have no fossil fuel generation capacity.

6. Investment policy and strategy

The Manager's Investment Team employs a proprietary ESG Decision Tool to evaluate each investment's contribution to the Sustainability Objective at the point of initial investment. Given the nature of ESS assets does not change materially once operational, the Tool is applied at the initial investment stage and is not re-applied to existing assets on an ongoing basis; the Company's asset-by-asset alignment position is instead monitored on an ongoing basis through the KPIs set out in Section 8.

No new assets were added to the Company's portfolio during the period that would not meet the Sustainability Objective's alignment criteria.

7. Proportion of assets aligned to the objective

During the reporting period, 98.13% of the Company's gross asset value by MW, and 99.09% by NAV, was invested in accordance with the Sustainability Objective, against the 80% minimum threshold.

The remaining non-aligned allowance (c.2% by MW, c.1% by NAV) comprises a single asset, Staunch — a combined BESS and gas-engine asset of 20 MW, held under the Capacity Market contract described in the Company's consumer-facing disclosure. No asset equivalent to Staunch has been added to the portfolio during the period, consistent with the Company's stated commitment not to invest in further assets of this kind.

8. Sustainability KPIs and metrics

Metric	31 December 2025
Percentage of gross asset value aligned with the Sustainability Objective (by NAV)	99.09%
Percentage of gross asset value aligned with the Sustainability Objective (by MW)	98.13%
Operational ESS capacity (MW)	1,072
Operational ESS capacity (MWh)	1,701

Metric	31 December 2025
ESS capacity under construction (MW)	Nil (2024: 227)
ESS capacity under construction (MWh)	Nil (2024: 454)

No capacity was under construction as at 31 December 2025, confirmed in the Company's FY2025 Annual Report. The Company's new pipeline projects (Cockenzie, Monets Garden, Elland 2) reached financial close and began construction in May 2026, after the end of this reporting period, and will be reflected as under-construction capacity in the Company's next Part B report.

Additional metrics, taken from the Company's FY2025 Annual Report and prepared in line with the GHG Protocol and the PCAF Global GHG Accounting and Reporting Standard:

Metric	2025	2024
Scope 1 financed emissions (tCO2e)	346	2,598
Scope 2 financed emissions (tCO2e)	2,662	1,607
Scope 1+2 financed emissions (tCO2e)	3,008	4,205
Scope 3 financed emissions (tCO2e)	1,931	1,752
Total financed emissions (tCO2e)	4,939	5,957
Weighted average carbon intensity, Scope 1+2 only (tCO2e/£m revenue)	50	90

All figures above are taken from the Company's FY2025 Annual Report and reconcile exactly: Scope 1 (346) + Scope 2 (2,662) = Scope 1+2 (3,008) for 2025, and 2,598 + 1,607 = 4,205 for 2024.

All Scope 1 emissions are attributable to the Staunch asset. No third-party verification of these calculations has been obtained for FY2025; the Manager has stated it will consider independent verification as reporting processes mature.

9. Year-on-year comparison

Metric	2024	2025
Operational ESS capacity (MW)	845	1,072
Operational ESS capacity (MWh)	1,207	1,701
ESS capacity under construction (MW)	227	Nil
ESS capacity under construction (MWh)	454	Nil
Total financed emissions (tCO2e)	5,957	4,939

Operational capacity grew year-on-year, consistent with continued portfolio deployment. Capacity under construction fell to nil at the 2025 year end as the prior year's projects completed and entered operation, ahead of a new construction phase beginning in May 2026 (outside this reporting period). Total financed emissions fell year-on-year, principally due to reduced fuel combustion activity across the portfolio; the Company notes this is an absolute measure that would be expected to rise with portfolio growth, all else equal, making the year-on-year reduction a positive indicator in this instance.

10. Stewardship

The Investment Manager's stewardship approach during the period included active oversight of construction partners, monitoring of operational performance through Operation and Maintenance (O&M) reporting and site data, and escalation processes for incidents and emerging risks, as reported in the Company's 2025 Annual Report.

The Company engages directly with the communities in which its portfolio projects operate. During construction, the Investment Manager ensures relevant planning and construction conditions are met, and the ESG Decision Tool is applied to take into account the impact of each investment decision on surrounding communities. The Board continued to monitor this during the period, and has identified more direct community engagement — to help educate the public on the role of BESS in the UK's decarbonisation targets — as an area for continued development.

The Board also maintains ongoing engagement with the Investment Manager itself, through its Management Engagement Committee and an independent board adviser, conducting both ongoing and annual reviews of the Investment Manager's performance to ensure alignment between the Company's strategy and long-term shareholder value.

11. Escalation

During the reporting period (1 January to 31 December 2025), no matters required escalation that materially affected the Company's ability to achieve its Sustainability Objective. The Company's asset-alignment position (98.13% by MW / 99.09% by NAV) remained well above the 80% minimum threshold throughout the period.

Although it falls outside the reporting period, the Manager considers it appropriate to disclose the following matter for transparency: on 1 May 2026, a fire occurred at the Company's 7MW battery storage site at the former Rufford Colliery. No injuries occurred and all site staff were accounted for. Investigation identified the cause as a short-circuit in Nickel Manganese Cobalt (NMC) battery technology, used in c.4% of the portfolio and not adopted in any asset acquired by the Company since 2020. Following manufacturer confirmation, a maximum state-of-charge limit of 75% was applied across the portfolio that specifically uses that technology with immediate effect. The affected site, already scheduled for augmentation, has had damaged containers removed and non-NMC replacement batteries installed.

12. Deviations from the entity-level approach

No material deviations from the Manager's entity-level approach to sustainability and climate-related risk management have been identified in the documents reviewed for this Part B report.

13. Additional information

Consumer-facing disclosure: https://greshamhouse.com/wp-content/uploads/2025/07/GRID-plc-Consumer-Facing-Disclosure-23.04.25.pdf

Pre-contractual disclosure: The Company’s SDR pre-contractual disclosures are contained in its Investor Disclosure Document, under “ESG Pre-Contractual Disclosures for SDR”, pages 10–19.

Investor Disclosure Document