



Gore Street
Energy Storage Fund plc



ESG and Sustainability Report

2022

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Introduction

Launched in 2018, Gore Street Energy Storage Fund plc (“GSF” or “the Company”) is London’s first listed energy storage fund.

The Investment Manager created the UK energy storage investment class as we believed that storage would be critical in the fight against climate change. As of the date of publication, the Company is the only UK-listed energy storage fund with a diversified operational portfolio located across four different countries and power grids.


The Company is one of the principal owners and operators of battery storage facilities in Great Britain and Ireland, and as of the date of publication, owns and operates facilities in Germany and the United States.

Energy storage technologies enhance power grids’ stability and flexibility and are key to balancing supply fluctuations from intermittent renewable energy sources. Storage allows more renewables to be integrated into power grids. In this way, energy storage is critical to delivering the renewable and low-carbon energy transition.

The Company has made considerable progress during the fiscal year, from the increasing the portfolio capacity from 380 MW to 628 MW – now totalling 698 MW³ as of the date of publication – to growing the Company’s level of accountability and transparency by adopting the SFDR framework.

The Company takes pride in its contribution to supporting clean energy ambitions for increased integration of renewable energy into global power systems. However, in a much broader sense, the Company recognises the importance of effective management of Environmental, Social and Governance (ESG) issues. They play a key part in building a more resilient future for the Company and the people depending on the energy systems in which it operates.

Highlights include:

Environmental 

Increased contribution to the fight against climate change:

During the year GSF has greatly increased its portfolio, which now consists of 291.6 MW of operational assets and 406.7 MW of projects under construction. The Company’s operational assets helped avoid 5,454.42 tCO₂e and store 7,884.56 MWh of renewable energy.

Social 

Fostering Equality, Diversity, and Inclusion:

Diversity in the workplace leads to better business. At the financial year end in March 2022, two-thirds of the Investment Manager’s executive team were from non-white ethnicities and women accounted for nearly half of the employees at the Investment Manager.

Governance 

Greater accountability and transparency:

We set out to better understand the impacts of our assets and provide greater transparency to stakeholders. In choosing to align with TCFD¹ and SFDR², we are committing to greater data capture and disclosure levels, as we aim to form a more complete understanding of our environmental impact.

During the year, the Investment Manager enhanced its ESG capabilities by hiring an in-house ESG team, who are responsible for shaping and advancing the ESG strategy and putting it into practice.

1 Task Force on Climate-Related Financial Disclosures

2 Sustainable Finance Disclosure Regulation

3 The portfolio capacity consists of 668 MW referenced previously as part of the Company’s annual report and an additional 29.9 MW (formed of 3 x 9.95 MW projects) which was closed post-reporting period as part of the Perfect Power portfolio acquisition

Patrick Cox

Chair of the Company



On behalf of the Board, I am pleased to present the 2021/2022 fiscal year ESG and Sustainability Report for Gore Street Energy Storage Fund plc.

This report highlights and quantifies the measures established by the Company to further its sustainable impact on not just the planet, but also on business, leadership, and people. As the world grapples with the severity of the climate crisis, and the energy transition gathers pace in replacing fossil fuels with sustainable alternatives, the necessity of energy storage is ever more critical. Now, more than ever, in light of the global uncertainty surrounding international relations and climate change, the Company has been working to ensure that sustainability is embedded throughout its business strategy.

Over the last fiscal year, the Company's portfolio, which now totals 698 MW⁴ of energy storage assets, has avoided over five tonnes of carbon dioxide equivalent emissions to the atmosphere, through storing grid electricity when it is above demand requirements and exporting back to meet demand.

In doing so, energy storage systems enable a greater integration of renewable energy into power grids, given the intermittent nature of renewable sources, and these systems' ability to provide grid flexibility and load support. In addition, energy storage systems also support the grid with security of supply, in face of expected increasing peak electricity demand over the next decades.

The Company's assets are in four key geographies – Great Britain, Ireland, Germany, and the United States – where the business case for energy storage has grown organically to form the markets that we see today.

We look ahead to the future with optimism and look forward to updating the Company's shareholders on our ESG progress during regular intervals.

4 The portfolio capacity consists of 668 MW referenced previously as part of the Company's annual report and an additional 29.9 MW (formed of 3 x 9.95 MW projects) which was closed post-reporting period as part of the Perfect Power portfolio acquisition

Alex O’Cinneide

Chief Executive of the Investment Manager



We are proud to present the Company’s first standalone ESG and Sustainability Report, showcasing the Company’s progress during the last fiscal year, across a broad array of ESG initiatives and frameworks.

This progress reflects the importance the Investment Manager places on sustainability across its business activities: it is embedded in the Investment Manager’s culture and underpins what we do every day. It is also a reflection of the Company’s role as a leading player in the energy storage industry - a key enabler of the transition to a Net-Zero economy.

The Investment Manager made a decision that the way to make a material difference in the transition to a low carbon economy was to invest in energy storage assets. That has been our focus and where our expertise has been concentrated.

July’s heatwaves across parts the northern hemisphere have provided yet more evidence of the increasing severity of climate change, with record-breaking temperatures recorded not only in London and elsewhere in the UK, but across Europe and the United States. There is a pressing and global need to enable the energy transition to a low-carbon society.

The International Panel on Climate Change (IPCC), the leading organisation for advancing knowledge on human-induced climate change, has highlighted that the “most feasible adaptation options” to the challenges posed by climate change involve energy generation diversification and “demand side management” - meaning, storage and energy efficiency improvements. This is where GSF’s assets come into play. Storage technology enables greater integration of renewable energy to power grids, and simultaneously helps reduce increasing power outages linked to grid failures associated with extreme weather. As extreme weather events grow in frequency, legacy energy infrastructure is being tested like never before.

Increasing energy storage capacity is a prudent and necessary step as we increasingly face uncertain seasonal patterns and extreme weather events while we transition towards a greener grid and economy, in which the global economy and society can thrive. Energy storage sits at the forefront of the transition to a low carbon society. We are pleased that the Company’s portfolio can play a role in the decarbonisation of electricity grids internationally.

About us

Launched in 2018, GSF is London’s first listed energy storage fund. The Company is the only UK-listed Energy Storage fund with a diversified operational portfolio located across four different grids: Great Britain, Ireland, Germany and the United States.

GSF is managed by Gore Street Capital Limited (the “Investment Manager”)⁵, which is a full-scope Alternative Investment Fund Manager (“AIFM”), authorised and regulated by the UK’s Financial Conduct Authority (“FCA”). The Investment Manager was formed in 2015 as a platform to acquire, develop and manage global renewable energy assets. The Company has an independent board of non-executive directors that engages constructively with the Investment Manager on an ongoing basis.

Green Economy Mark

The Company has been awarded the London Stock Exchange Green Economy Mark for its contribution to the global green economy. The award recognises companies that derive 50 per cent or more of their revenues from environmental solutions.



Why battery storage?

“Without additional investments to support the grid, scaling renewables to the levels required to meet the UK’s climate targets could result in substantial amounts of congestion. Indeed, bottlenecks in just one region of the UK grid could lead to up to 14.8 terawatt hours (TWh) per year of curtailed renewable energy – wasting roughly 20% of the energy at that one bottleneck⁶.”

Form Energy

Battery storage provides a scalable solution to the fossil fuel crisis, enabling the transition to a greater dependency on intermittent sources of renewable generation to take place. Weaning ourselves off fossil fuels requires new infrastructure to support increased renewable energy.

The sun does not always shine, and the wind does not always blow, but the strategic use of battery storage can enable the excess energy produced by renewables to be discharged back into the system when needed.

“Batteries are projected to play an important role as energy storage systems for the power grid reducing the intermittency constraints of renewable energy and providing flexible energy services.”

World Energy Transitions Outlook 2022⁷

“Renewable generation in the United Kingdom will need to increase dramatically by 2025 – from 41 per cent. to 60 per cent. of the UK’s energy supply – if the UK is to reach its climate and energy targets. The best renewable resources aren’t always located near the cities and commercial and industrial centres where we live and work, so we rely on transmission lines to move power from where it’s generated to where it’s needed most. However, at times of peak demand or generation transmission lines become “congested” meaning moving more power over the line would lower costs to consumers, the line is unable to do so due to technical reasons⁸.”

Form Energy

5 Operational management services are provided to the Company by Gore Street Operational Management Limited (the “Operations Manager” or “GSOM”), a subsidiary of the Investment Manager.

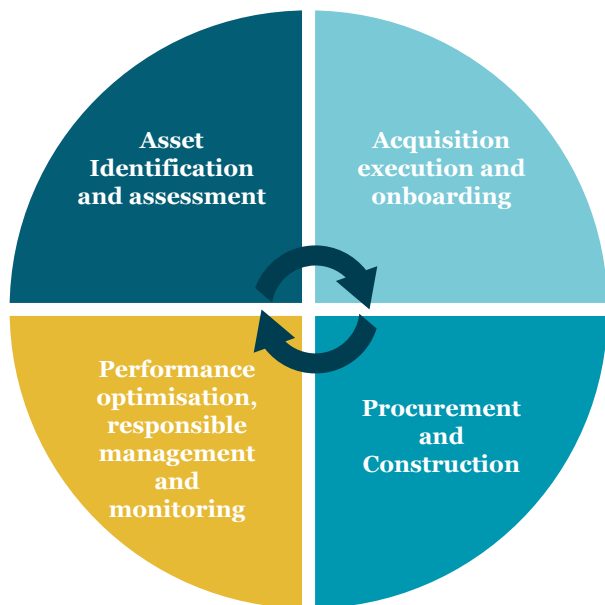
6 <https://formenergy.com/insights/energy-storage-to-support-the-uk-transmission-grid/>

7 World Energy Transitions Outlook 2022: 1.5°C Pathway by the International Renewable Energy Agency, page 309 <https://www.irena.org/publications/2022/Mar/World-Energy-Transitions-Outlook-2022>

8 <https://formenergy.com/insights/energy-storage-to-support-the-uk-transmission-grid/>

Our Strategy

The investment team, the construction and development team, and the asset performance team at the Investment Manager seek to monitor and integrate the Company’s health, safety, environmental, social and investment objectives into GSF’s acquisition, construction, and operations model. ESG supports and services our goals on the route to a sustainable future.



1. Asset identification and assessment

Each year we review a significant number of global storage projects for investment. On promising projects, we undertake intensive due diligence to ensure opportunities meet GSF’s investment policies.

2. Acquisition execution and onboarding of new assets/projects

The Investment Manager’s team manages the acquisition process from initial evaluation and bid, to close. The Investment Manager’s team is skilled in finance, legal, ESG assessment, asset construction, engineering, and operations. Third-party due diligence is utilised to remove biases when assessing opportunities.

3. Procurement and construction

The in-house procurement team is comprised of professionals possessing both legal and technical expertise. They negotiate all key contracts for project engineering and construction, as well as warranties for continued battery performance. The team is responsible for monitoring project construction and managing costs, to ensure quality control and timeline adherence.

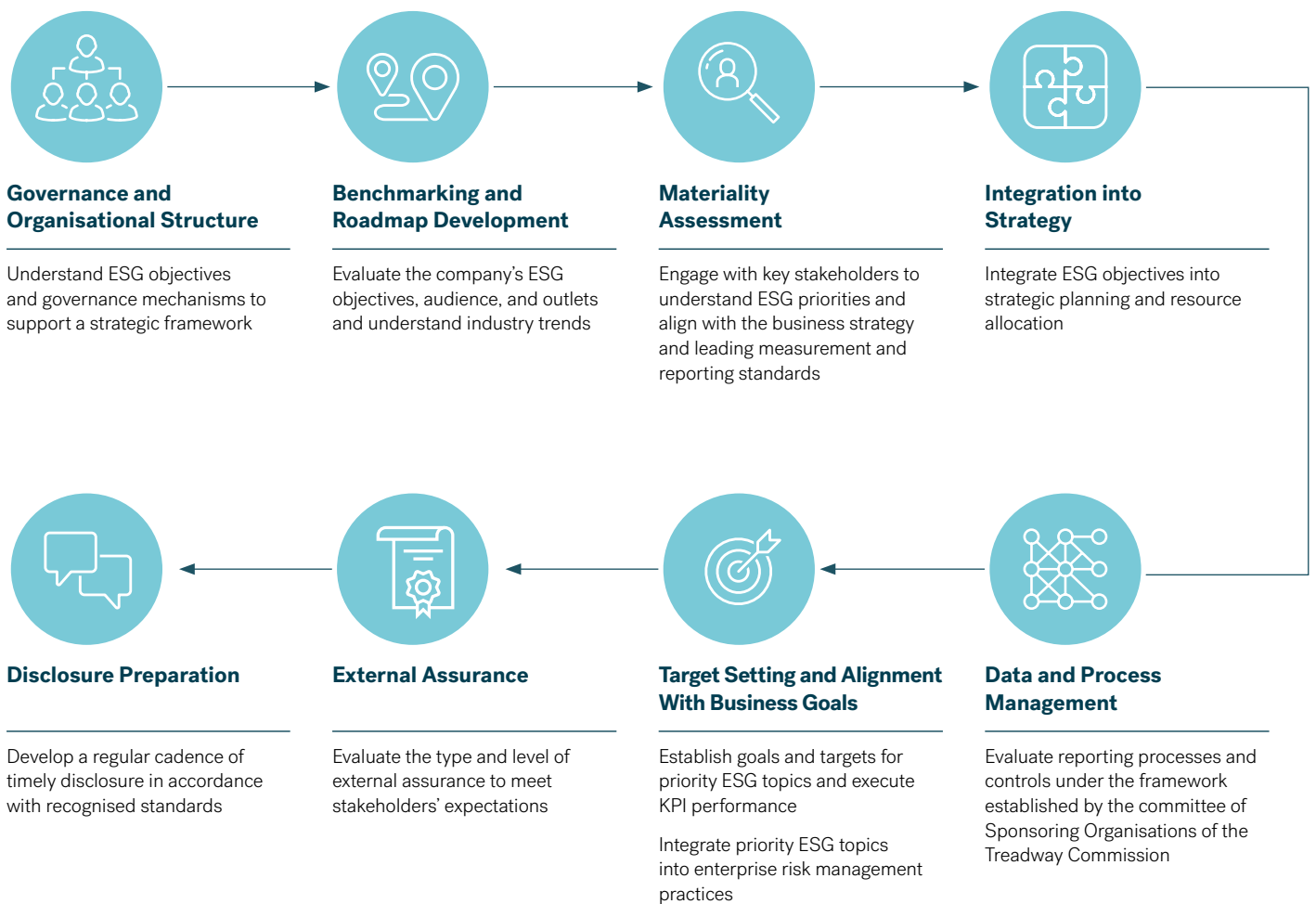
4. Performance optimisation, responsible management, and monitoring

The in-house team dictates the parameters of revenue stacking and optimisation for the portfolio. Asset performance is closely monitored to ensure asset availability for revenue contracts.

Our Strategy
Continued

ESG Integration and Disclosure Strategy

From Governance and Operational Structure to Data and Process Management, the figure below details the key steps being adopted by the Investment Manager for integrating ESG into the Company’s business strategy and disclosing performance.



Our Approach

Every day we are seeing the effects of climate change. Flooding, drought, extreme heat, wildfires, crop failures and melting glaciers regularly dominate the news. Successfully aligning ESG responsibilities, risks and opportunities will help to ensure that the Company has the resilience to face the future.

Energy storage is essential to create a low carbon economy. As the first UK listed investment trust dedicated solely to battery storage, the Company has been leading the way in the fight against climate change.

In addressing ESG issues, the Company can help to build a more resilient future not just for itself but for the communities in which it operates and the electricity grids that it services. We are currently at the beginning of this journey, but we look to the future with confidence.

Our ESG approach is guided in part by the Sustainable Finance Disclosure Regulation (SFDR) and the Task Force on Climate-Related Financial Disclosures (TCFD). Although SFDR is not mandatory for the Company, and the Company is currently exempt from TCFD, it has chosen to apply SFDR and TCFD. The Board regards this as an important step in transparency and accountability. (Further details about how SFDR applies to the Company and how the Company is starting to align with the TCFD are provided below.)

“When energy is curtailed, more expensive generators are dispatched to take the place of cheaper generators, often renewables. The costs of constraint management in the UK today exceed £1.1 billion per year and are expected to rise without intervention. When low carbon generation is curtailed, polluting generators such as natural gas are often required to ramp up to meet demand. This dynamic could lead to more than 5.5 million metric tonnes of additional greenhouse gas emissions per year by 2025. Congestion is a climate problem, not just an economic one⁹.”

Form Energy

⁹ <https://formenergy.com/insights/energy-storage-to-support-the-uk-transmission-grid/>

Supporting the transition to a Net Zero economy

GSF strives to act sustainably and contribute to the Net Zero transition by investing in battery storage facilities, enabling the greater use of renewables, and making positive contributions to the community whilst seeking to create long-term value for investors.

Net Zero energy systems will require amongst other things “substantially lower use of fossil fuels than today”¹⁰

IPCC report 2022

Rising energy prices and the war in Ukraine have prompted some governments to rethink their energy policies, with an increased focus on how reliance on fossil fuels can be reduced. These events, along with the COVID-19 pandemic, have further highlighted the importance of environmental, social and governance factors.

For instance, Germany, already a global renewables leader, updated its Renewable Energy Sources Act in April 2022 to target 80 per cent. of its electricity consumption to come from renewables by 2030, moving to 100 per cent. by 2035.¹¹ This is in line with the International Energy Agency’s Net Zero by 2050 roadmap and matches the ambition of others – including the UK – that are looking to decarbonise power systems by the same date¹². The targets, which will see Germany install 22 GW of solar and 10 GW of onshore wind a year, will also reduce its reliance on imported energy.

Recently the third and final section of the Intergovernmental Panel on Climate Change (IPCC) published its latest review of climate science. It spoke of the “unambiguous risks of climate change”.¹³ But energy consumption is increasing. Between 2015 and 2019, global energy consumption grew by 6.6 per cent.¹⁴ In order to support this increased energy consumption, while reducing reliance on fossil fuels, it will be necessary to have enabling technological solutions, such as battery storage.

The IPCC report notes, “A broad portfolio of options such as integrating systems, coupling sectors, **energy storage**, smart grids, demand-side management, sustainable biofuels, electrolytic hydrogen and derivatives, and others **will ultimately be needed to accommodate large shares of renewables in energy systems.**”¹⁵ [Emphasis added]

The IPCC report made the following remarks about energy storage:

- “Energy storage technologies make low carbon electricity systems more cost-effective...”¹⁶
- “Energy storage enables electricity from variable renewables to be matched against evolving demands across both time and space, using short-, medium- and long-term storage of excess energy for delivery later or different location. In 2017, an estimated 4.67 TWh (0.017 EJ) of electricity storage was in operation globally (IRENA 2017). If the integration of renewables is doubled from 2014 levels by 2030, the total capacity of global electricity storage could triple, reaching 11.89–15.27 TWh...”¹⁷

10 https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

11 <https://www.renewableenergymagazine.com/panorama/germany-raises-the-bar-on-renewable-energy-20220414>

12 Department for Business, Energy & Industrial Strategy and The Rt Hon Kwasi Kwarteng MP, 2021. ‘Plans unveiled to decarbonise UK power system by 2035’. Available at: <https://www.gov.uk/government/news/plans-unveiled-to-decarbonise-uk-power-system-by-2035>

13 https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf p. 80

14 https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf p. 116

15 https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf p. 37

16 https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf p. 995

17 https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf p. 995

Supporting the transition to a Net Zero economy Continued

Energy storage enhances security of supply by providing real time system regulation services (voltage support, frequency regulation, fast reserve, and short-term reserve). A greater proportion of variable renewable sources reduces system inertia, requiring more urgent responses to changes in system frequency, which rapid response storage technologies can provide (stability requires responses within sub second timescale for provision of frequency and voltage control services). **Energy storage also provides intermittent renewable sources with flexibility**, allowing them to contribute a greater proportion of electrical energy and **avoiding curtailment (capacity firming)**. **Investment costs in backup generation, interconnection**, transmission, and distribution network upgrades can thus be reduced (upgrade deferral), meaning that less low carbon generation will need to be built **while still reducing emissions**. In the event of an outage, **energy storage reserves can keep critical services running (islanding) and restart the grid (black start)**. The ability to store and release energy as required **provides a range of market opportunities for buying and selling of energy** (arbitrage).¹⁸
[Emphasis added]

The Company believes that a responsible approach to investing will lead to opportunities to capitalise on the growing need for decarbonisation of the energy sector. The Company supports the transition to a Net Zero economy.

“It’s now or never, if we want to limit global warming to 1.5C. Without immediate and deep emissions reductions across all sectors, it will be impossible.”

Jim Skea, Professor at Imperial College London and Co-Chair of the working group behind the latest IPCC report.¹⁹

18 https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf p. 996

19 <https://www.imperial.ac.uk/news/235379/climate-report-its-never-want-limit/>

Community

The effects of climate change disproportionately affect many poorer communities in developing regions. As such, it is important that the Company support the efforts of organisations that facilitate communities' access to essential infrastructure, such as access to clean water.

In rural Mozambique, less than 40 per cent of the population have access to basic drinking water services.

This forces people—usually women and children—to travel long distances in exhausting conditions to collect water or resort to other, unsafe sources.

Not only does this put children at increased risk of harm but it also reduces the amount of time they can spend in the classroom, jeopardising their education and development.

The Company's Board has approved a donation to UNICEF, matching personal contributions at the Investment Manager.

The donation will cover about half of the cost of constructing and installing a multi-use solar powered water supply system in Nampula province in Mozambique, intended to provide access to safe and reliable water to around 1500 people plus an additional 500 students.



Fostering Equality, Diversity, and Inclusion

The Investment Manager believes that greater diversity and inclusion can lead to better business outcomes. Research shows a significant correlation between diverse leadership and financial outperformance, and that companies with above-average diversity in their leadership teams also reported greater levels of innovation. At the Investment Manager, equality, diversity, and inclusion are embedded in its culture.

The Company committed to reporting the workforce diversity data of its Investment Manager bi-annually. As of 31 March 2022, two-thirds of the Investment Manager's executive team are from non-white (majority) ethnicities and nearly half of the Investment Manager's team are women. At GSF's Board level, the proportion of women in executive leadership roles is 25 per cent.

FCA Business Plan

In the FCA's 2021 - 2022 Business Plan, the regulator said it will be focusing on what it regards as six of the most important cross-market issues:

1. Fraud
2. Financial resilience
3. Operational resilience
- 4. Improving diversity and inclusion**
- 5. Enabling a more sustainable financial future**
6. International cooperation²⁰

In November 2021, the FCA stated:

Diversity and inclusion is a key component of ESG – both in its own right, and as an enabler of creative solutions to other environmental and social challenges. The target outcomes for the sector are:

- *regulated firms and listed companies have more diverse representation at all levels*
- *regulated firms and listed companies foster cultures that are inclusive so that staff can share their diverse experiences and backgrounds²¹*

The Company puts this into practice by having an Investment Manager which is committed to equality, diversity, and inclusion.

Diversity takes many forms within the Investment Manager. It has a:

- Multi-cultural workforce
- Large percentage of line management positions being undertaken by women
- Broad range of ages, experiences, and cultures within the workforce

The Investment Manager fosters an encouraging environment where all staff are encouraged to speak up and share their diverse experiences and background.

Whilst the 'traditional' diversity and inclusion metrics customarily tracked at UK companies include gender and ethnicity, the Investment Manager wants to take a broader approach to looking at inclusion.

For instance, when we learn to speak other languages, it increases our ability to understand the needs of others, it gives us different ways to express ourselves, and it gives us different lens through which to view the world. These are all important tools if we want to tackle global challenges such as climate change.

²⁰ <https://www.fca.org.uk/publication/business-plans/business-plan-2021-22.pdf> (p. 4)

²¹ <https://www.fca.org.uk/publications/corporate-documents/strategy-positive-change-our-esg-priorities>

Fostering Equality, Diversity, and Inclusion
Continued

At the Investment Manager, a wide range of languages are spoken.



Fostering Equality, Diversity, and Inclusion Continued

Governance

The Board of Directors has ultimate responsibility for Sustainability and ESG and is actively involved in guiding and driving the Company's ESG strategy, with the day-to-day management and accountability resting with the Investment Manager.

In 2021 the Investment Manager enhanced its ESG capabilities by establishing an in-house ESG team. In addition to other professional qualifications, all team members are degree-educated in science or engineering disciplines.

The Investment Manager's ESG team is responsible for creating, implementing, monitoring and reporting on the ESG strategy. As part of the ESG team's responsibilities, it has been reviewing and strengthening policies and procedures to ensure that the Company is aligned with regulatory and industry best practices, as well as supporting disclosures and reporting to demonstrate the Company's commitment to sustainability. It has also assessed ESG metrics, with the support of third-party specialists, so that the Company can track its progress and publicly report against these metrics, increasing transparency for investors. The team also provides publications, via the Investment Manager, around sustainability and ESG considerations that are of interest to investors and the general public.

Furthermore, the Compliance and ESG Manager at the Investment Manager attends the Company's Board meetings providing quarterly updates to the Board, as well as, where necessary, ad hoc updates, to ensure the Board is kept apprised of developments and progress. The Compliance and ESG Manager also attends Audit Committee meetings, as well as the Investment Manager's Board meetings and Risk Committee meetings.

These measures reflect the importance that the Company places on ESG and sustainability. ESG matters are standing items at the Company's Board meetings. This allows the Company greater reassurance and transparency around ESG considerations. The Company is striving to embed best-in-industry policies and procedures.

Risk Management

The Investment Manager has recently strengthened its risk management by hiring a Head of Operational Risks, who will be working closely with the ESG team to drive forward risk management processes.

Over the next year, the Company will undertake a formal climate risk assessment. This project will help shape our strategy and ensure that the Company future-proofs its business. It will also facilitate the Company's resilience in an environment where climate change is altering the planet.

Frameworks that guide our work

United Nations Sustainability Development Goals (SDGs)

The Company utilises various frameworks in order to embed sustainability and ESG considerations. This includes the UN’s Sustainability Development Goals (SDGs). The Company has consulted a third-party ESG specialist who has determined with which SDGs the Company aligns. The Investment Manager believes that the Company can make a positive contribution to the following UN SDGs:



Goal 5: Achieve gender equality and empower all women and girls

Target - 5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life

Indicator - 5.5.2 Proportion of women in managerial positions

The Company ensures the Investment Manager has women in senior and managerial roles and is committed to developing the careers of women within its Firm. Both the Company and the Investment Manager are currently looking to increase their number of female Board members.



Goal 6: Ensure availability and sustainable management of water and sanitation for all

Target - 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimising the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

Indicator - 6.3.1 Proportion of domestic and industrial wastewater flows safely treated

The Company achieved low water footprint by ensuring that the management teams of projects within its portfolio have adequate measures in place to abstain from water pollution, from construction to day-to-day operations. The Investment Manager regularly monitors water management with a view to adopting a circular economy in the operations of each site.

Target - 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

Indicator - 6.4.1 Change in water-use efficiency over time

The Company achieves water-use efficiency in its projects over time. The Company has appropriate waste and hazardous materials management. The management bodies of each site use environmentally friendly processes for collection, recycling, treatment, transportation, and disposal of waste including wastewater. Additionally, the Company aims to monitor battery decommissioning and any consequential negative impacts on the environment, including on water resourcing and minimisation of consumption.



Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all

Target - 7.1 By 2030, ensure universal access to affordable, reliable, and modern energy services

Indicator - 7.1.2 Proportion of population with primary reliance on clean fuels and technology

Energy storage assets provide a sustainable solution to transitional issues pervading the energy market such as higher peak demands and fluctuating energy supply. The Company also aims to drive down costs of technology and infrastructure which ultimately lowers the cost of energy to final consumers.

Target - 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

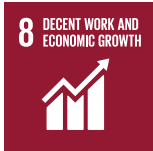
Indicator - 7.2.1 Renewable energy share in the total final energy consumption

The Company acts as an enabler, facilitating the incorporation of renewable energy into the power grid. Therefore, it contributes to

- an increase in the proportion of the population using clean fuels and technologies
- an increase in the renewable energy share of the total final energy consumption
- saving capital from less reliance on non-renewable energy generation

The Company also contributes to saving energy by efficient use of existing renewable generators due to load balancing. The Company’s assets contribute to efficiency in energy in terms of the energy saved from quicker response time and efficient use of new storage systems.

Frameworks that guide our work
Continued



Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

Target – 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular, women migrants, and those in precarious employment

Indicator – 8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status

Indicator – 8.8.2 Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status

The Company has a Code of Conduct which endeavours to prevent the use of child labour, forced labour and modern slavery in batteries' supply chain. The Investment Manager, on behalf of the Company, monitors the health and safety measures for major and minor incidents on sites for contractors. It aims to minimise the risk of incidents as much as possible and in compliance with regulatory standards. It considers:

- Human rights and community relations – careful consideration of community rights and interests in operations planning.
- Toxicology risks to labour involved in the management of waste, sourcing, and manufacturing of batteries.



Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Target – 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Indicator – 9.4.1 CO2 emission per unit of value added

The Company sources disruptive technologies in the energy sector and contributes to the development of renewable energy infrastructure projects. The Investment Manager aims to maximise efficiency of existing infrastructure, the energy saved, and increase the availability of the Company's assets through highest reliability levels and most stringent warranties which minimise response times.



Goal 12: Ensure sustainable consumption and production patterns

Target – 12.2 By 2030, achieve the sustainable management and efficient use of natural resources

Indicator – 12.2.1 Material footprint, material footprint per capita, and material footprint per GDP

The Company has reported zero hazardous waste during construction and, by engaging with suppliers, the Company seeks to reduce the amount of waste generated on sites and increase the recycling rate and the amount of material recycled. For all sites, the Investment Manager monitors:

- Ecological impacts – management of ecological impacts of clean energy technology production
- Company design and lifecycle management – effective design for disassembly and reuse or recycling to reduce lifecycle impacts of batteries
- Materials sourcing and efficiency – supply chain assessment and management of risks associated with use of critical materials



Goal 13 – Take urgent action to combat climate change and its impacts

Target – 13.2 Integrate climate change measures into national policies, strategies and planning

Indicator – 13.2.1 Number of countries with nationally determined contributions, long-term strategies, national adaptation plans and adaptation communications, as reported to the secretariat of the United Nations Framework Convention on Climate Change

Indicator – 13.2.2 Total greenhouse gas emissions per year

The Company contributes to industry - and national climate change efforts - by facilitating the incorporation of renewable energy into the power grid. The Company's assets play an important role in reducing greenhouse gas emissions, as battery storage systems meet the energy challenges of an electricity system that is more reliant on intermittent renewable generation. Therefore, it contributes to enabling less reliance on non-renewable energy generation. The Investment Manager has started monitoring greenhouse gas emissions and net CO₂ emissions avoided

Frameworks that guide our work
Continued

The transition to renewable low carbon energy



“Limiting warming to 2°C or 1.5°C will require substantial energy system changes over the next 30 years. This includes reduced fossil fuel consumption...”

– IPCC Report²²

22 https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf p. 116

Sustainable Finance Disclosure Regulation (SFDR)

The SFDR is a European Union regulation aimed at improving transparency in the market for sustainable investment products. This regulation also aims to prevent greenwashing.

The Company is a sole-play investor in battery energy storage systems and is a financial product as defined in Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). The Company meets the criteria in Article 8 of SFDR to be categorised as a financial product which promotes environmental or social characteristics.

As the Company is domiciled in the United Kingdom, which is outside the European Union, SFDR is not a mandatory requirement for GSF. Nevertheless, the Company has chosen to align with SFDR, qualifying as an Article 8 Fund²³. This is the first year that the Company has tracked the metrics that are outlined in this regulation.

For this assessment, and in order to provide transparency, the Company has engaged the services of a third party with ESG expertise, to evaluate requirements around:

- The approach taken to address sustainability risks
- How Principal Adverse Impacts (PAIs) are considered and reported
- Additional ESG criteria as additional sustainability disclosure to the PAIs
- The extent to which the EU Taxonomy is met

The table below summarises the Company's performance, as reported against the Principal Adverse Impact (PAI) mandatory and additional sustainability disclosures. As detailed in the table below, 14 of indicators are required for the Company to qualify as an Article 8 product under SFDR. In addition to these, the Investment Manager has committed to measuring additional environmental and social impact indicators which are relevant to the Company's business. Both 'mandatory disclosures' to the Company and additional indicators are identified in the table below, alongside the Company's performance under each of these metrics for the reporting period and geographical scope (the UK and Ireland grids) as detailed in the data gathering scope below.

Table 1: GSF's PAI and Additional sustainability disclosures for the UK and Irish grids, during the period between 1 April 2021 to 31 March 2022.

Topic	#	Indicators	April 2021 – March 2022 performance
SFDR mandatory disclosures: Due diligence on Principal Adverse Impacts (PAI)			
Climate and other environment-related indicators			
Greenhouse gas emissions	1	Total Greenhouse gas (GHG) emissions (Scope 1, 2 and 3) (see below for breakdown)	18,180.30 tCO ₂ e
	2	Carbon footprint	87.11 tCO ₂ e / M€
	3	GHG intensity of investee companies ²⁴	0.20 tCO ₂ e / M€
	4	Exposure to companies active in the fossil fuel sector	No exposure
	5	Share of non-renewable energy consumption and production	30.1 %
	6	Energy consumption intensity per high impact climate sector ²⁵	0.31 GWh / M€
Biodiversity	7	Activities negatively affecting biodiversity-sensitive areas	None identified
Emissions to water	8	Emissions to water	0.00 mg / L
Waste	9	Hazardous waste ratio	0.00 %

²³ For a full description of Article 8 requirements and pre-requisites, please refer to: <https://www.esma.europa.eu/press-news/esma-news/three-european-supervisory-authorities-publish-final-report-and-draft-rt>

²⁴ The total intensity of investee companies was computed as per the SFDR prescribed formula and using greenhouse gas emissions data already calculated and financial information obtained from GSF's investment manager.

²⁵ Energy consumption intensity (in GWh) per million GBP of revenue of investee companies, per NACE sector denoted as high impact climate sector, expressed as a weighted average based on Net Asset Value of asset.

Sustainable Finance Disclosure Regulation (SFDR)
Continued

Topic	#	Indicators	April 2021 – March 2022 performance
SFDR mandatory disclosures: Due diligence on Principal Adverse Impacts (PAI) continued			
Social and employee matters			
UNGC principles or OECD Guidelines for Multinational Enterprises	10	Violations of principles/guidelines	None identified
	11	Lack of processes and mechanisms to monitor compliance	Embedded in the Code of Code but no formal process
Gender equality	12	Unadjusted gender pay gap	N/A
Gender diversity	13	Board gender diversity	0.17 (weighted average of 0.46 females and 2.64 males at investee company level)
Controversial weapons	14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	No exposure for GSF's activities under their direct control
SFDR mandatory disclosures: Due diligence on Principal Adverse Impacts (PAI)			
Air emissions	15	Emissions of air pollutants	0.00 Tonnes
Additional water and waste, and material emissions	16	Water usage and recycling	0.00 m3
	17	Non-recycled waste ratio	N/A
Human rights	18	Operations and suppliers at significant risk of incidents of child labour	No exposure for GSF's activities under their direct control
	19	Operations and suppliers at significant risk of incidents of forced or compulsory labour	No exposure for GSF's activities under their direct control
	20	Number of identified cases of severe human rights issues and incidents	None identified
Sustainability indicators	21	Net CO ₂ emissions avoided	5,454.42 tCO ₂ e
	22	Total renewable electricity stored.	7,884.56 MWh

The Investment Manager has identified shortfalls in currently accepted EU methodologies for accessing Net CO₂ emissions avoided for battery storage systems, as they do not accurately capture the value attributed to a battery storage asset when performing services to the grid. The Investment Manager intends to develop models in the future to better assess the benefits that energy storage systems play in the electricity networks²⁶.

26 The approach employed follows guidance such as the GHG Protocol and the European Commission. The main limitation of this method is the simplification assuming all electricity dispatched by the battery storage asset would have been met by a natural gas-fired peaking plant. A further limitation of this methodology is that it does not capture the system value attributed to a battery storage asset as an "energy vector" when providing ancillary services to transmission system operators such as National Grid Electricity System Operator (ESO). GSF's battery storage assets can provide ancillary services such as frequency response, and balancing mechanism, by importing electricity from the grid. A more sophisticated model of the comparative scenario would allow a better assessment of battery energy storage systems' avoided emissions, and could be achieved through further research, scientific collaboration, engagement with relevant stakeholders, industry partners, and/or in-house.

Sustainable Finance Disclosure Regulation (SFDR)
Continued

Greenhouse Gas Emissions

There are three categories of greenhouse gas (GHG) emissions: Scope 1, Scope 2 and Scope 3.

SCOPE 1	emissions are from sources that the Company owns or controls directly;
SCOPE 2	are emissions that the Company causes indirectly through the energy it purchases; and
SCOPE 3	includes emissions that result from the activities of the company up and down its value chain, from sources that the Company does not own or control.

Total greenhouse gas emissions were calculated at 18,189 tCO₂e. The total emissions for:

- Scope 1 were calculated as 35 tCO₂e
- Scope 2 were calculated as 4,340 tCO₂e

GHG emissions can be broken down as follows:

- Scope 1 emissions are less than 1% of total emissions
- Scope 2 emissions amount to 24% of emissions, arising mainly from the direct operations of the batteries
- Scope 3 represent the bulk of the emissions (76%). The majority of greenhouse gas emissions are mainly by
 - the acquisition of capital goods
 - the batteries themselves
 - the impact of the electricity commercialised downstream

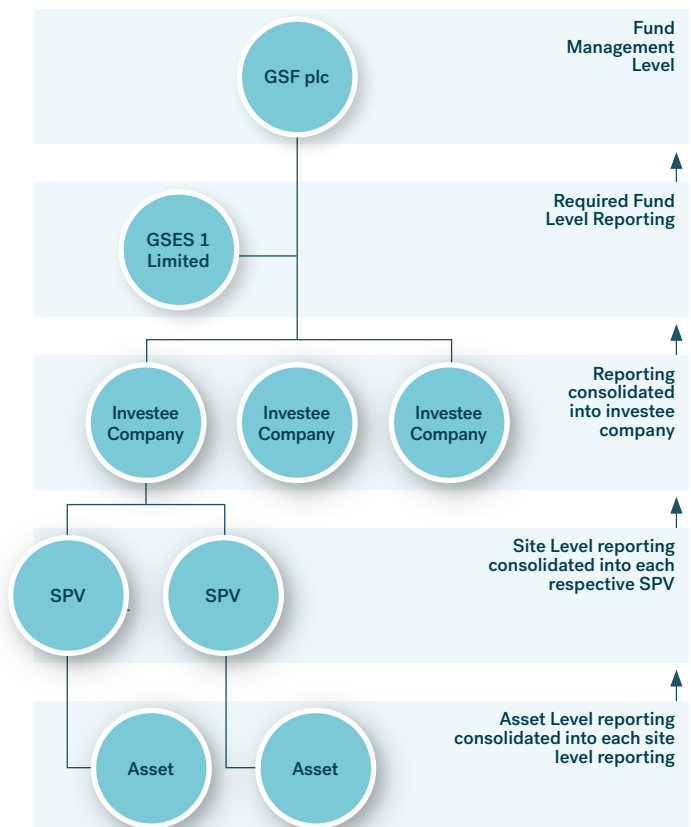
27 GSES 1 Limited is a wholly-owned subsidiary of the Company, and it is the entity that holds the Company's Assets
 28 The scope excludes the investee company 'GSF Atlantic Limited', made of the Company's assets in Texas (US) and Germany. The assets in Texas, US were not included in the scope as their acquisition was completed after the reporting period, in April 2022. The Company's asset in Germany (Cremzow) although fully acquired on 4 March 2022, was excluded from the scope because of the minor contribution to overall impact and for consistency, in order not to account for only a partial portion of GSF Atlantic.

Data Gathering

The Scope: this edition of GSF's reporting against the requirements under SFDR Article 8 encompasses all assets held by investee companies of the fund under GSES 1 Limited²⁷ during the period of 1 April 2021 to 31 March 2022²⁸, with the exception of the asset acquired in Germany ('Cremzow') at the end of the reporting period (and therefore excluded due to minor contribution to the overall impact) and the assets in Texas, US, for which acquisition was completed after 31 March 2022. Finally, the reporting excludes assets in pre-construction phase, as these do not generate any operational and commercial activity.

The Process: the picture below illustrates GSF's organisational structure and shows the level(s) in which information and data collection took place and consolidation was conducted. Depending on the indicator, data and information were readily available at fund level, but if data was only available at a lower organisational level, data compilation and consolidation were required, in order to bring it to fund level.

Figure 1: GSF's organisational structure and different data reporting levels relevant to fund level reporting.



Sustainable Finance Disclosure Regulation (SFDR) Continued

EU Taxonomy

Whilst the Company promotes the environmental and social characteristics outlined below and a proportion of the Company's investments will qualify as investments in environmentally sustainable economic activities in climate change mitigation and climate change adaptation as defined in Regulation (EU) 2020/852 (the "Taxonomy Regulation") on the establishment of a framework to facilitate sustainable investment, as further described below, it does not have an investment objective to make sustainable investments.

CONSIDERATION OF SUSTAINABILITY RISKS

ESG events or conditions ("Sustainability Risks"), if they occur, have the potential to materially impact the profitability, liquidity, financial profile or reputation of an underlying investment in the Company and consequently on the Company's financial returns.

For the purposes of Article 6(1) of the Disclosure Regulation, using both quantitative and qualitative information, Sustainability Risks are identified, monitored and managed by the Investment Manager in the following manner:

- **Pre-investment:** The Company's investment policy limits potential investments to battery energy storage systems only. The Company only invests in battery storage systems and has adopted an exclusion policy that confirms that it consequently precludes investments in high risk / unsustainable areas. High risk/ unsustainable areas include such things as fossil fuel extraction.
- **Investment holding:** During the life cycle of battery storage investments, the Company assesses material Sustainability Risks on a case-by-case basis based on the relevant data available to it.

Where material Sustainability Risks are identified, the impacts of each Sustainability Risk on the Company will depend on the Company's exposure to such risk and the materiality of that risk. The Company will seek to mitigate any identified Sustainability Risks, including by modifying its investment strategy and diligence processes. However, there is no guarantee that these measures will mitigate or prevent a Sustainability Risk materialising in respect of the Company.

What environmental and/or social characteristics are promoted by the Company?

The Disclosure Regulation requires assessment and disclosure of metrics around environmental and/or social characteristics applicable to the Company. The Company promotes the environmental characteristics of climate change mitigation and climate change adaptation.

What sustainability indicators are used to assess the environmental and/or social characteristics of the Company?

- Net CO₂ emissions avoided.
- Total renewable electricity stored.

THE INVESTMENT STRATEGY OF THE COMPANY

Investment strategy the Company follows to attain environmental and/or social characteristics

The Company seeks to provide investors with a stable long-term dividend income and capital appreciation from investing in a diversified portfolio of utility-scale energy storage projects primarily located in the United Kingdom, the Republic of Ireland, Germany and the United States of America, although the Company may also consider projects in other jurisdictions in accordance with the Company's investment policy.

By investing in and developing a portfolio of utility-scale energy storage projects, the Company is able to deliver energy and grid frequency services to support the stability of grid systems as national utilities increase their usage of intermittent sources of renewable energy, like wind and solar. A utility's ability to safely and reliably integrate renewable energy into its energy mix allows for the replacement of fossil-based power generation with cleaner, renewable sources of power and supports a faster transition to a low-carbon sustainable economy. As an enabler of renewable energy, the Company expects to contribute to the environmental objectives of climate change mitigation and climate change adaptation in the Taxonomy Regulation.

Sustainable Finance Disclosure Regulation (SFDR) Continued



Task Force on Climate-Related Financial Disclosures (TCFD)

UK regulation has made TCFD mandatory for some entities, although currently it does not apply to the Company. Nevertheless, the Company has engaged the services of third-party experts to ensure adequate oversight and greater transparency of its alignment with TCFD requirements.

The Company aims to complete a formal climate risk assessment and make necessary disclosures in accordance with TCFD requirements by the end of the 2022 calendar year.

There are four pillars of recommended climate-related financial disclosures.

Governance: The Company will disclose its governance around climate-related risks and opportunities.

Strategy: The Company will disclose the actual and potential impacts of climate-related risks and opportunities on its businesses, strategy, and financial planning where such information is material.

Risk Management: The Company will disclose how it identifies, assesses and manages climate-related risks.

Metrics and Targets: The Company will disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

“Batteries are expected to play a key role as energy storage systems for the power grid by providing flexible energy services.”²⁹

World Energy Transitions Outlook 2022



Global Impact Investing Network

The Company is also a member of the Global Impact Investing Network (GIIN) and is aligned with GIIN’s mission of reducing barriers to impact investment and supporting the allocation of capital to fund solutions to the world’s most intractable challenges.



Principles for Responsible Investment (PRI)

There are six Principles for Responsible Investment which the PRI describe as offering a selection of possible actions for incorporating ESG issues into investment practice.³⁰ The implementation of the Principles for Responsible Investment supports the development of a more sustainable global financial system.

The Company is a signatory of the PRI. The PRI requires the Company to participate in the next mandatory submission period, which will be in 2024. The Investment Manager is currently reviewing what steps need to be taken in order for the Company to have greater alignment with the PRI.

According to research by Harvard University, in collaboration with the University of Birmingham, the University of Leicester and University College London, fossil fuel emissions are causing nearly one in five of all deaths worldwide.³¹

“Our study adds to the mounting evidence that air pollution from ongoing dependence on fossil fuels is detrimental to global health. We can’t in good conscience continue to rely on fossil fuels, when we know that there are such severe effects on health and viable, cleaner alternatives.”

**Eloise Marais, Associate Professor,
University College London.**

“We hope that by quantifying the health consequences of fossil fuel combustion, we can send a clear message to policymakers and stakeholders of the benefits of a transition to alternative energy sources.”

**Joel Schwartz, Professor of Environmental Epidemiology,
Harvard T.H. Chan School of Public Health**

29 World Energy Transitions Outlook 2022: 1.5°C Pathway by the International Renewable Energy Agency, page 309 <https://www.irena.org/publications/2022/Mar/World-Energy-Transitions-Outlook-2022>

30 <https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment>

31 <https://www.seas.harvard.edu/news/2021/02/deaths-fossil-fuel-emissions-higher-previously-thought>

Case Study: Keeping the lights on

An example of how the Company’s assets contribute to the energy sustainability of Ireland

GSF focuses on ‘utility-scale energy storage systems’, which generally means batteries the size of football fields. We focus on such projects due to their importance in integrating renewables with energy networks, and the company’s moral purpose to support a greener future. From an electrical perspective, it’s fair to consider these systems like giant sponges for National Grid, EirGrid or equivalent to take advantage of: when there’s too much power the projects soak up the surplus, and when demand exceeds supply they provide absorbed energy to balance the system. This is essential in a sustainable energy future, where volatility in wind and solar power production must be balanced with consumption—consumer habits don’t care if it’s windy or the sky’s overcast. GSF’s systems support the ultimate goal of system operators: keep the lights on.

When the transmission network first came to be, this was achieved through a series of electricity generators spinning at fifty rotations per second (50Hz). This meant local networks were required to synchronise at 50Hz to connect up and form the national transmission network.

All the systems that have followed – from household appliances to industrial machinery – are dependent on this power running smoothly. Too much supply and the grid electricity frequency will rise, potentially causing short circuits. Too much demand, on the other hand, will lower the frequency and cause system failure.

Keeping this balance within tight tolerances is, therefore, key to successful operations. It is also increasingly being achieved using energy storage to support the network. Without this help, network operators may resort to blackouts in local areas to prevent the whole network falling over.

On Monday 22 November 2021, GSF’s Drumkee and Mullavilly energy storage stepped in to prevent such an incident after measuring a fall in grid frequency. The combined electricity system of the Republic of Ireland and Northern Ireland operates within normal operating limits of 49.9Hz to 50.1Hz and, on this particular day, GSF’s energy storage stepped in to maintain stability after measuring a drop below the trigger threshold of 49.8Hz.

Two conventional generators tripped offline in quick succession, prompting two drops in frequency and the most serious event our systems have been called on to counter. The figure below showcases Drumkee being able to respond to the changes in the grid electricity over a prolonged period.

The power output of GSF’s energy storage, which was capped at 50MW, responded to the fall in grid frequency until the system returned to operating thresholds. This response could well be the reason blackouts did not make headlines across Ireland the next day.

Both Drumkee and Mullavilly can swing up to 100MW in less than half a second and, as Ireland moves to integrate more renewable power, the need for such capacity is rising. In anticipation of this opportunity for energy storage, the Company is currently deploying further 60MW of projects secured to deliver frequency response services and a further 150MW under development in Ireland.

Such projects are vital for supporting the transition to a sustainable future and meeting climate goals. Energy storage is already rising to the challenge and playing a vital role in the future energy scenario of Ireland, the UK and, increasingly, the rest of the world.

Figure 2: Immediate response of Drumkee project in the first 15 seconds following detection of the frequency event.

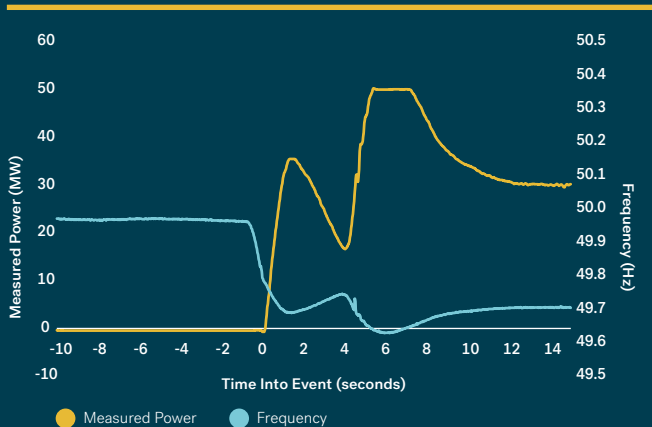
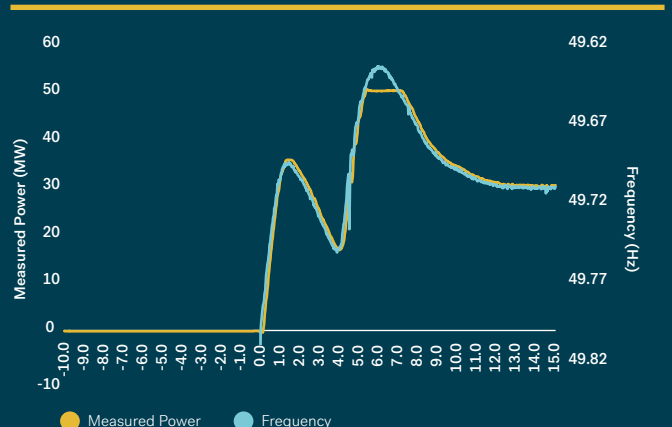


Figure 3: Measured power tracks frequency



Going Beyond

The Company acknowledges that there should be continuous improvement in order to better embed ESG considerations into its business. As such, the Investment Manager has identified various opportunities to further contribute to the sustainability of its operations and construction activities, ultimately contributing to industry-wide challenges.

Battery storage facilities, such as those owned by the Company, are unique in their role to support the transition to a low carbon economy. However, battery storage currently represents a relatively small part of the energy ecosystem.

The Company, along with others in the industry, believes that the current GHG Protocol³² does not directly address accounting methodologies for storage assets, which are currently being treated as both an energy consumer and generator. This lack of clarity is currently causing confusion in accounting across the value chain as this can be interpreted to unduly allocate emissions from energy consumed to storage assets and preventing a clear view from auditors who are charged with assurance of emissions inventories.

A clear methodology will allow companies to appropriately report emissions against their objectives in a standardised manner. It will also bring the certainty that the accounting of emissions associated from the use of storage facilities does not unduly penalise these climate efforts through high reported emissions or the financial burden to offset disproportionate Scope 2 emissions via green attribute certificates as guided by the GHG Protocol.

As such, the Company, via its Investment Manager, is working with others in the industry to seek confirmation on a methodology to report Scope 2 emissions from battery storage assets that is consistent with the GHG Protocol and the relevant scientific literature.

Furthermore, the Investment Manager is currently revising its ESG and sustainability strategy in order to ensure that ESG and sustainability is embedded throughout the Company and the Investment Manager.

³² The GHG Protocol establishes frameworks for measuring and managing greenhouse gas (GHG) emissions from private and public sectors. More information available at: <https://ghgprotocol.org/about-us>

Glossary

Term	Definition
Article 8 Fund	Under SFDR ³³ , a fund which “promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices”
Carbon Footprint	Refers to the amount of greenhouse gasses generated by an organisation or individual
Decarbonisation	Refers to the reduction of an entity’s carbon footprint, particularly its greenhouse gas emissions, in order to reduce its impact on climate, as part of the transition to Net Zero
Diversity, Equality and Inclusion	Diversity, Equality and Inclusion stand for a fair treatment towards all individuals and group of individuals, offering them equal opportunities
ESG	Environmental, Social and Governance refers to the central factors used when assessing business’s activities or investments with regard to sustainability
EU Taxonomy	The EU Taxonomy is a wide framework to identify, define and clarify economic activities which can be considered environmentally sustainable. The basis for the EU Taxonomy is the Taxonomy Regulation (Regulation (EU) 2020/852)
GHG - Scope 1, 2 & 3	The three scopes under greenhouse gases categorise the different emissions a company can create in its own operations and in its wider value chain. Scope 1 emissions are from sources that an organisation owns or controls directly; Scope 2 are emissions that the Company causes indirectly through the energy it purchases; and Scope 3 includes emissions that result from the activities of the company up and down its value chain, from sources that the Company does not own or control.
GHG emissions	Greenhouse Gas (GHG) emissions refer to the sum of emissions of gases that have a global warming impact, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons (HFCs) and sulfur hexafluoride (SF6)
GHG Protocol	A global framework for the measurement and management of greenhouse gasses
IPCC	The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. The IPCC prepares comprehensive Assessment Reports about the state of scientific, technical, and socio-economic knowledge on climate change, its impacts and future risks, and options for reducing the rate at which climate change is taking place. It also produces Special Reports on topics agreed to by its member governments, as well as Methodology Reports that provide guidelines for the preparation of greenhouse gas inventories.
Carbon neutrality -Net Zero	Carbon neutrality is a state of Net Zero carbon dioxide emissions. Net Zero describes a balanced scenario between the amount of greenhouse gases emitted and the amount removed from the atmosphere.
OECD Guidelines for Multinational Enterprises	Recommendations for responsible business conduct which include business ethics on a range of issues including human rights and employment, the environment, consumer interests and disclosure of information, science and technology, competition and taxation, amongst others.
PAI	Principal Adverse Impacts are part of the SFDR framework and stand for any material (or likely to be material) negative effects on sustainability factors that are caused by (or compounded by or directly linked to) the investment decisions and advice performed by the fund.
PRI	The Principles for Responsible Investment (PRI) promotes responsible investment through six investment principles that support the integration of responsible investment into investment decisions
Renewable Energy	Energy generated from a naturally replenishing source, such as solar energy, wind energy, hydro energy, and geothermal energy.
SDGs	Sustainability Development Goals (SDGs) were set up by the UN in 2015 and total 17 interlinked goals designed as a blueprint towards a better and more sustainable future for all
SFDR	Sustainable Finance Disclosure Regulation. The SFDR regulation (EU Regulation 2019/2088) sets harmonised rules for financial market participants and financial advisers on sustainability-related disclosures to improve transparency and support better investment decisions.
Sustainability	Sustainability has been defined as the way in which people, the planet, prosperity, and purpose come together in order to meet current needs without compromising the ability of future generations to meet their own needs ³⁴
Sustainability Risks	Sustainability risks refer to potential negative financial impact on investments due to environmental, social, and/or governance issues
TCFD	Task Force on Climate-Related Financial Disclosures (TCFD) was created by the Financial Stability Board (FSB) as recommendations to companies on climate-related financial disclosure for informed capital allocation

33 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

34 See the United Nations “Our Common Future” report <http://www.un-documents.net/our-common-future.pdf> and the FCA’s “A strategy for positive change: our ESG priorities” <https://www.fca.org.uk/publications/corporate-documents/strategy-positive-change-our-esg-priorities>



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