

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Gore Street Energy Storage Fund PLC

Legal entity identifier:213800GPUNVGG81G4021

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristics promoted by the fund are the provision of support for the green energy transition and for climate change mitigation efforts.

Gore Street Energy Storage Fund invests in utility-scale energy storage systems. These assets support the transition to renewable energy and a low-carbon economy through:

- Enabling the integration of renewable energy sources into the power grid;
- Avoiding carbon emissions from the power sector.

The fund’s assets contribute to grid frequency stability and help to balance electricity demand and supply. Grid imbalances have traditionally been met by increased production from fossil fuel-fired peaker plants, causing additional carbon emissions. By storing electricity from renewables when supply exceeds demand, the fund’s energy storage facilities avoid curtailment and allow these clean energy sources to contribute a greater proportion of electricity.

By enabling a higher penetration of renewable energy sources into grids and avoiding power-related carbon emissions, the fund’s investments support the green energy transition and climate change mitigation efforts.

The fund does not designate a reference benchmark to assess its attainment of these environmental characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The fund uses the following sustainability indicators to measure the attainment of the environmental characteristics:

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

More information on the sustainability indicators used by the fund can be found on the fund's website under *Sustainability-Related Disclosures*.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A – this question is not applicable as the fund does not intend to make sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A – this question is not applicable as the fund does not intend to make sustainable investments.

— — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A – this question is not applicable as the fund does not intend to make sustainable investments.

--- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A – this question is not applicable as the fund does not intend to make sustainable investments.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Upon investment and over the life cycle of the product, the fund shall assess and monitor the principal adverse impacts on sustainability factors. Information on the adverse sustainability indicators, and the methodology used to assess, measure and monitor the impact of its investment is available in the fund's annual report.

Greenhouse gas (GHG) emissions

The fund excludes any investments in fossil fuels. Further, the Investment Manager measures the following impacts from the fund's assets and activities:

- Total GHG emissions (Scope 1, 2 and 3);
- Carbon footprint;
- GHG intensity of investee companies;
- Exposure to companies active in the fossil fuel sector;

- Share of non-renewable energy consumption and production;
- Energy consumption intensity per high impact climate sector.

#### Biodiversity

The Investment Manager assesses the fund's assets' impact on biodiversity during the investment and construction process and takes appropriate action to avoid or remediate impacts to ensure compliance with local planning regulations. The Investment Manager also measures the following impacts from the fund's assets:

- Activities negatively affecting biodiversity-sensitive areas.

#### Pollution and waste

The Investment Manager works closely with its partners during the construction process and over the lifecycle of the fund's assets to avoid pollution and waste where possible. The Investment Manager measures the following impacts from the fund's assets and activities:

- Emissions to water;
- Water usage and recycling;
- Hazardous waste ratio;
- Non-recycled waste ratio;
- Emissions of air pollution.

#### Human rights, social and employee matters

The fund supports the UN Global Compact Principles and OECD Guidelines for Multinational Corporations and does not tolerate any form of forced labour, child labour or severe human rights abuses in its supply chains. As part of the due diligence process, suppliers are required to provide details of their supply chain management approach and to confirm, on an annual basis, compliance with the principles outlined in the Investment Manager's supplier code of conduct. The Investment Manager also has processes in place to ensure health & safety standards are met on-site. Further, the Investment Manager measures the following impacts from the fund's assets and activities:

- Violations of UNGC principles or OECD Guidelines for Multinational Enterprises;
- Lack of processes and mechanisms to monitor compliance;
- Unadjusted gender pay gap;
- Board gender diversity;
- Exposure to controversial weapons;
- Operations and suppliers at significant risk of incidents of child labour;
- Operations and suppliers at significant risk of incidents of forced or compulsory labour;

- Number of identified cases of severe human rights issues and incidents.

### Monitoring of PAIs

Although the fund anticipates fully monitoring and reporting on all relevant principal adverse impacts, data may not be fully, or in part, available on one or more of the fund's investments.

In instances where data is not fully available, the Investment Manager may make reasonable estimates as to the impact or rely on third party providers' data to do so. In situations where data is not appropriate to rely on either in full or in part and where the Investment Manager deems it on estimates, the Investment Manager will explain in the fund's reporting the rationale for such estimation.



### **What investment strategy does this financial product follow?**

The investment objective of the fund is to provide investors with a sustainable and attractive dividend over the long term by investing in a diversified portfolio of utility-scale energy storage projects.

These projects are located in the United Kingdom, the Republic of Ireland, Germany, and the United States of America, although the fund may also consider projects in other jurisdictions in accordance with the fund's investment policy. In addition, the fund seeks to provide investors with an element of capital growth through the re-investment of net cash generated in excess of the target dividend in accordance with the fund's investment policy.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following elements of the investment strategy are binding on all investments considered, selected and held by the fund.

Positive screening: In consequence of the fund's very limited permitted investment class, the fund will only invest in utility-scale energy storage projects, all of which are expected to contribute to the chosen environmental characteristics. Further, the fund intends to invest with a view to holding the energy storage assets until the end of their useful life.

Negative screening: The fund excludes investments in companies focused on the extraction of fossil fuels. For other exclusions less relevant to this disclosure please refer to the fund's exclusion policy, which can be obtained on demand.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A – this question is not applicable to the fund as there is no committed minimum rate to reduce the scope of the fund's investments.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The fund invests in energy storage projects that sit within special purpose vehicles which do not have management structures, employees, or tax policies in the way “investee companies”, as understood by the SFDR, might have.

The Investment Manager, who manages the assets on the fund’s behalf, has put in place policies and procedures to ensure responsible business conduct. These include due diligence processes and internal trainings covering issues including bribery, corruption, money laundering and cyber security.

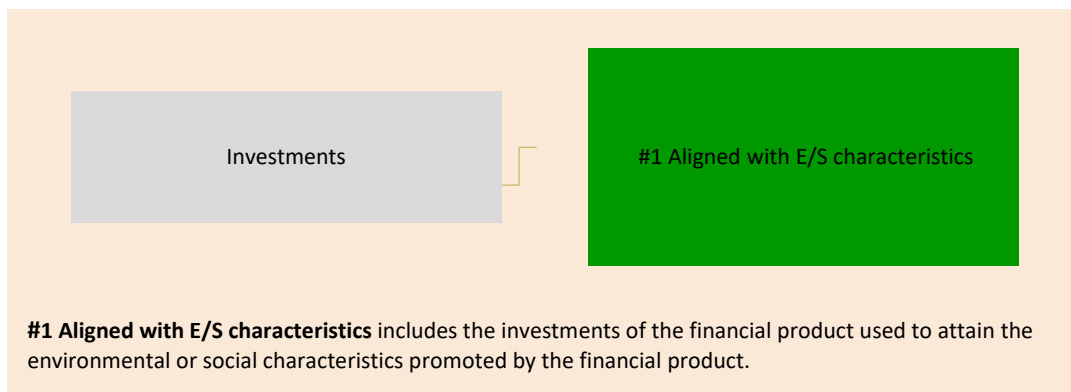
Good governance practices are also assessed, and monitored, as part of the fund’s consideration of the principal adverse impacts on sustainability factors, as detailed above.



**What is the asset allocation planned for this financial product?**

The fund only invests in battery energy storage systems, with the remainder of the fund’s resources held in cash.

**Asset allocation** describes the share of investments in specific assets.



**Assets allocation:**

- **Investments:** 100% of the fund's investments are allocated to battery energy storage systems, which are used to meet the environmental characteristics promoted by the fund. The fund invests in a diversified portfolio of utility-scale energy storage projects located in the United Kingdom, the Republic of Ireland, Germany, and the United States of America, although the fund may also consider projects in other jurisdictions. The investments are made either in systems that are already operational or in projects that are under construction or in the pre-construction phase. The table below sets out the fund's current projects (whether operational, under construction or in the pre-construction phase) and targets for the future.
- **Cash:** Where the fund has raised capital, upon receipt of such capital and prior to its deployment into investment projects in accordance with the fund’s investment strategy, such new capital will comprise cash and cash equivalents. The fund’s cash balance as of 31 March 2023 was £123.7m, representing 22% of the fund.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Operational projects	Capacity
Lascar	20 MW
Ancala	11.2 MW
Larport	19.5 MW
Hulley	20 MW
Breach	10 MW
Cenin	4 MW
Boulby	6 MW
POTL	9 MW
LOR	10 MW
MEL	50 MW
DEL	50 MW
Cremzow	22 MW
Snyder	9.95 MW
Sweetwater	9.95 MW
Westover	9.95 MW
PBSL	30 MW

Projects under construction or pre-construction	Capacity	Target energisation
Stony	79.9 MW	Sep 2023
Ferrymuir	49.9 MW	Nov 2023
Enderby	57.0 MW	June 2024
Porterstown Ph II	60.0 MW	June 2024
Big Rock	200.0 MW	Dec 2024
Dog Fish	75.0 MW	Dec 2024
Mineral Wells	9.95 MW	June-end 2025
Mesquite	9.95 MW	June-end 2025
Cedar Hill	9.95 MW	June-end 2025
Wichita Falls	9.95 MW	June-end 2025
Kilmannock Ph I	30.0 MW	Dec-end 2025
Kilmannock Ph II	90.0 MW	Dec-end 2026
Middleton	200.0 MW	Dec-end 2026

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The fund enters into hedging arrangements in relation to currency, interest rates and/or power prices for the purposes of efficient portfolio management as appropriate to seek to manage its exposure to foreign currency risks associated with capital expenditure, interest rate risk and risks relating to power prices. The fund will not enter into derivative transactions for speculative purposes.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A – the fund does not intend for its investments to be aligned with the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
- In fossil gas     In nuclear energy
- No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- **What is the minimum share of investments in transitional and enabling activities?**

N/A – there is no commitment to a minimum share of investments in transitional and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A – there is no commitment to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

N/A – the fund does not hold any socially sustainable investments and there is no commitment to hold a minimum share of socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

N/A – due to the fund's very limited permitted investment class, all investments are allocated to battery energy storage systems.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Due to the bespoke nature of Gore Street Energy Storage Fund’s activities, the fund believes that there is no relevant sustainable designated reference benchmark to utilise.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

*Not applicable.*

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

*Not applicable.*

- **How does the designated index differ from a relevant broad market index?**

*Not applicable.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



- ***Where can the methodology used for the calculation of the designated index be found?***

*Not applicable.*



**Where can I find more product specific information online?**

More product-specific information can be found on the fund's website under *Sustainability-Related Disclosures*.