

Gravis

Responsible Investment report 2024



Gravis capital management ltd.
Investment ideas for the long run

Contents

- 1 Introduction
- 3 About us
- 4 Our Funds
- 5 Responsible Investment
- 10 Environmental
- 22 Social
- 28 Governance
- 32 Looking ahead
- 34 Glossary
- 35 UN SDGs and targets



www.graviscapital.com

Introduction



It is with great pleasure I introduce Gravis' Responsible Investment report for 2024.

This year we achieved a significant milestone by becoming a Certified B Corporation. We are immensely proud to be joining the B Corp community, standing alongside companies that share our values and are paving the way for change in the asset management sector.

Climate change poses a significant threat to the stability and sustainability of our planet. One key avenue for addressing the crisis is through strategic investments in new infrastructure. With the recent change in government, we look forward to exploring new investment opportunities in the coming months.

We remained dedicated to developing products that support the transition to net zero.

Philip Kent
Chief Executive Officer

At Gravis, we don't believe in a short-term approach to investment.

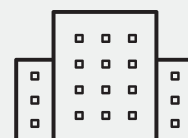
Steady.
Consistent.
Here to stay.



Formed in
2008



Experts in
Long term



Managing assets of
c.£2.5bn¹

1. Data at 31 March 2024. Includes our open-end Funds which are managed by VTIM and advised by Gravis Advisory Limited.

About us

We are Gravis. We invent and manage funds that aim to give investors radically steady returns. We are involved in long-term projects that have a human dimension, as we invest in assets that will be needed for many years to come, including renewable, social and economic infrastructure.

The Gravis team have worked together over many years to build our investment philosophy and have a successful track record across all of our Funds.

We have a multi-disciplined investment team with the capability to identify, evaluate and execute investment opportunities as they arise.

At Gravis, we seek to deliver dependable and predictable long-term cash flows for investors. Our long-term approach enables us to engage with investee companies, borrowers, property developers and operators on matters relating to Responsible Investment. This gives us the opportunity to drive positive change where possible.

Our strategic objectives

Best-in-class investment execution and management

Highly efficient distribution and investor relations

Robust operational and governance structure

Our values

01

Find a better way

Gravis is a place that's built on new ideas, challenging the status quo and doing things differently. We place a huge amount of value on it every day.

How we live it:
We were an early mover in the renewable and social infrastructure sectors, launching our first listed fund in 2009. We manage the first UK listed infrastructure debt fund, and we were the first fund to offer access to the UK listed infrastructure sector through an open-ended structure.

Our enthusiasm to invest in new sectors as part of our diversified portfolio of products enables us to find a better way for the environment, society and our investors.

02

Act carefully

We have a huge responsibility for our clients and their future. We prioritise quality, do things properly and have meticulous attention to detail.

How we live it:
We are a signatory to the PRI, adopt the Principles of the UK Stewardship Code 2020 and are a participant of the UN Global Compact. We obtain assurance of our controls processes annually through the completion of an ISAE 3402 audit by external auditor Deloitte LLP.

As a business, we are carbon neutral and work with our Funds to implement mechanisms that measure and monitor their environmental impact.

03

Be nice

Our business was built on bringing humanity to an often cold industry. It's something we'll never lose.

How we live it:
We maintain a positive, open and transparent dialogue with all our stakeholders: investors, investees, Fund Boards and service providers.

We support our employees through training and benefits, and offer paid internships to young people from under-represented groups. We have adapted processes to encourage and support our Responsible Investment policy, diversity initiatives and charitable giving.

Our Funds

Our Funds invest in assets that will be needed for many years to come, such as hospitals, schools, energy generation and other social and economic infrastructure.

Data at 31 March 2024

GCP Infra

Closed-ended Fund

Advised by Gravis
Investment company that invests in UK infrastructure projects with long-term, public sector backed revenues.

£933.9m

Gravis UK Infra

Open-ended Fund

Managed by Valu-Trac, advised by Gravis
The Fund invests in the UK listed infrastructure sector.

£585.9m

Gravis Clean Energy

Open-ended Fund

Managed by Valu-Trac, advised by Gravis
The Fund invests in global listed securities involved in the operation, generation and supply of clean energy.

£322.5m

Gravis Digital Infra

Open-ended Fund

Managed by Valu-Trac, advised by Gravis
The Fund invests in global listed securities which own the physical infrastructure assets that are vital to the digital economy.

£30.4m

Robeco Gravis Digital Infra

Open-ended Fund

Managed by Gravis and distributed globally by Robeco
The Fund invests in a globally diversified portfolio of best-in-class real estate and infrastructure companies.

£2.5m

GCP Asset Backed

Closed-ended Fund

Managed by Gravis
Investment company lending to owners of assets that are integral to society, which are secured against physical assets or dependable cash flows.

£388.4m

Gravis UK Listed Property

Open-ended Fund

Managed by Valu-Trac, advised by Gravis
The Fund invests primarily in UK Real Estate Investment Trusts.

£95.6m

Key
Area of square corresponds to NAV of each Fund
£m Value of NAV of each Fund.

Responsible Investment



Principles for Responsible Investment

Gravis has been a signatory to the Principles for Responsible Investment ("PRI") since 2019. The PRI, established in 2006, is a global collaborative network of investors working together to put the six Principles for Responsible Investment into practice.

We recognise that applying these principles better aligns our investment activities with the broader interests of society, and we are committed to their adoption and implementation.

Integrating ESG considerations into investment management processes and ownership practices helps create more successful and sustainable businesses over the long term and generates enhanced value for our clients and society at large.

We are particularly focused on the development of products to help accelerate the transition to net zero. This transition represents a significant transformation in the infrastructure sector, particularly in the way energy is generated and used, the use of natural resources and the requirement to capture and store carbon.

More information on the PRI can be found at: www.unpri.org.

Integration of Responsible Investment

At Gravis, we operate a Responsible Investment committee which comprises senior personnel who oversee all ESG matters on behalf of the Board. Further information can be found on page 29.

Our Responsible Investment policy is integrated into investment management processes and incorporates pre-investment, active ownership and governance processes, as detailed below. The Responsible Investment policy can be found at: www.graviscapital.com/responsible-investing.

Pre-investment



Deal screening

Our investment management processes positively screen investments that promote sustainability, conform to our values and benefit society, including, but not limited to, the areas of climate change mitigation and adaptation, energy transition, critical infrastructure, affordable living, social housing, education and healthcare.

The screening excludes investments which focus on non-medical animal testing, armaments, alcohol production, pornography, tobacco, coal production and power, and nuclear fuel production. Investments with ongoing or persistent involvement in human rights abuses are also excluded.

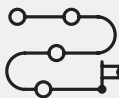


ESG due diligence processes

Prior to the approval of a new investment, the relevant investment team assess how the investment fares against key relevant ESG criteria, with the criteria tailored to the relevant Fund.

The ESG due diligence process typically covers the counterparties' commitment and capability to effectively identify, monitor and manage potential ESG-related risks and opportunities, and, to the extent applicable, the availability of relevant policies and procedures, alignment with industry or investment-specific standards and ratings, and alignment with relevant ESG-related regulation and legislation.

Active ownership



Monitoring and engagement

Following execution and investment, key relevant ESG indicators are monitored by the portfolio management teams. We seek to engage with equity owners and/or operators of those projects to understand the ESG factors relevant to those projects and/or properties, and, where relevant, use influence as a lender of capital or investor to manage exposure to ESG risks.

ESG indicators are reported to our closed-ended Fund Boards for consideration as part of the quarterly reporting cycle. The open-ended Fund Managers review ESG indicators for the portfolio on an annual basis.



Reporting

We report on our progress on an annual basis, through the Responsible Investment report, which is published every year. The Responsible Investment report sits alongside our PRI assessment report, which summarises our Responsible Investment activities as a signatory to the PRI.

Gravis supports the recommendations of the TCFD, and we encourage the application of the TCFD framework across our Funds.



Governance and responsibilities

Read more on pages 28 to 31

Responsible Investment continued



PRI reporting

We are required to report our Responsible Investment activities to the PRI through an annual assessment process. The PRI reporting process is the largest global reporting project on Responsible Investment.

This year we improved our PRI assessment score, scoring an average of 76 points out of 100 and four out of five stars for each category, improving its overall score by one star. This was a significant improvement on 2021's¹ score of, on average, 52 points.

The improvement in the score followed the introduction of a voting and engagement policy and voting reporting, and the introduction of a formal diversity policy and DEI training for all employees, along with a number of other ESG initiatives.

We scored higher than average in each category when compared to the median. See the chart below for further information.



UN Global Compact

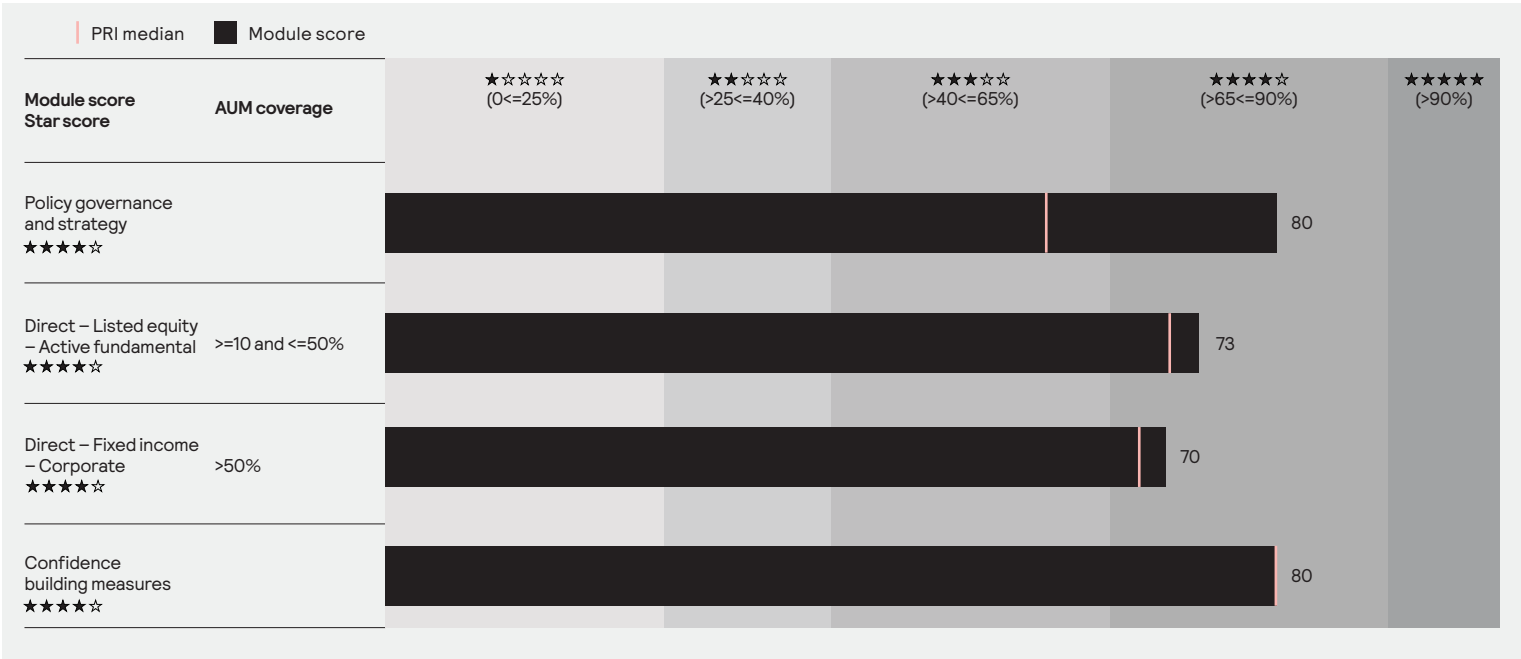
We are proud to say that we are a participant in the UN Global Compact Network. We aim to operate within the principles set out in the UN Global Compact with reference to human rights, labour, environment and anti-corruption practices.

As part of this commitment, we do not procure services from, nor invest in, businesses that make use of slavery, human trafficking, forced labour, compulsory labour or harmful child labour.

We work with other organisations that share our commitment to accelerating sustainability efforts where possible. We believe our investees and the counterparties we work with should also seek to operate in accordance with the UN Global Compact, and we will engage with them where we believe this is not the case.

Further information on our commitment to the UN Global Compact can be found in the Responsible Investment policy on our website.

PRI scorecard



1. Reporting for 2022 was suspended by the PRI.



UN Sustainable Development Goals

By investing in assets that are integral to society, including those which contribute to a greener economy, we align with certain Sustainable Development Goals (“SDGs”), as outlined by the United Nations. These goals were created in 2015 with the aim of creating a better and more sustainable world by 2030. Examples include clean and affordable energy, gender equality and sustainable cities and communities.

When developing our focus areas, we considered the SDGs that have the highest materiality to our business and sector and the SDGs that we may have an impact on, as well as those that have the highest impact on our stakeholders. The SDGs are important to investors and there is a strong business case for investing in sectors aligned with the SDGs.

Our Funds positively contribute to the provision of assets in the areas of climate change mitigation and adaption, energy transition, critical infrastructure, affordable living, social housing, education and healthcare.

In addition, our approach to governance, labour and health and safety has a positive contribution to the employees, customers, suppliers and local communities in which we operate.

We report our alignment with the SDGs to highlight our Responsible Investment efforts. Our reporting is key to building trust, transparency and accountability with stakeholders. The data presented on page 9 was collected as part of our 2023/24 data collection project. Further details on the project can be found on page 18.

UN SDG Innovation Accelerator

The UN SDG Innovation Accelerator for Young Professionals empowers young talent under the age of 35 by driving collaborative business innovation aligned with the UN SDGs. An intensive, nine month programme, the Innovation Accelerator is designed to activate the potential of future business leaders and changemakers. It focuses on the development and implementation of innovative solutions through cutting-edge technologies, initiatives and business models that contribute to a company’s sustainability objectives.

In 2024, three Gravis employees participated in the programme as “innovators”, seeking to identify and solve sustainability issues within Gravis. Two senior members of Gravis also participated as a “mentor” and “champion”, to help guide the innovators on their sustainability journey. The programme involves a team of young innovators working on a challenge specific to their company, with the goal of designing more sustainable business models, initiatives and products that not only advance their company’s sustainability efforts, but also drive innovation and deliver tangible solutions with potential market value.

Gravis’ participation in the programme is ongoing, and further updates will be provided upon the completion of the programme.



Responsible Investment continued



Nature-based climate solution projects

This year, two Gravis employees visited Peru to investigate the possibility of creating voluntary carbon credits by funding an avoided deforestation and conservation project in the newly established Sierra del Divisor, a national park in the East of the country, along the border with Brazil. The project would be delivered under the UN's REDD+ framework in collaboration with the Government of Peru, with the private sector undertaking the conservation and protection of the park under a 20 year contract with the public sector.

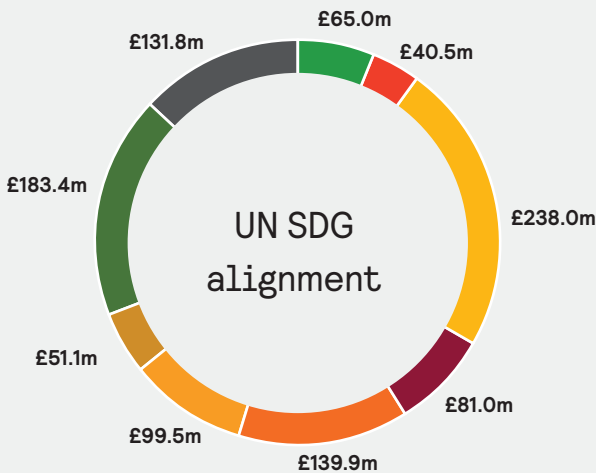
As part of the wider scheme, it was envisaged that Gravis would co-manage an investment vehicle investing in a pipeline of avoided deforestation, afforestation and sustainable timber projects in Peru (with the Sierra del Divisor project being the first of these), which would create carbon credits which could be purchased by corporations and would contribute to their emission offsetting targets.

The credits generated by the scheme were also hoped to be accredited in the future under the Singapore Carbon Exchange to allow them to be traded globally on a recognised trading platform. While the project in Peru was not successful, Gravis is considering other nature-based climate solution projects to implement in the future.



Equity holdings that align with the UN SDGs

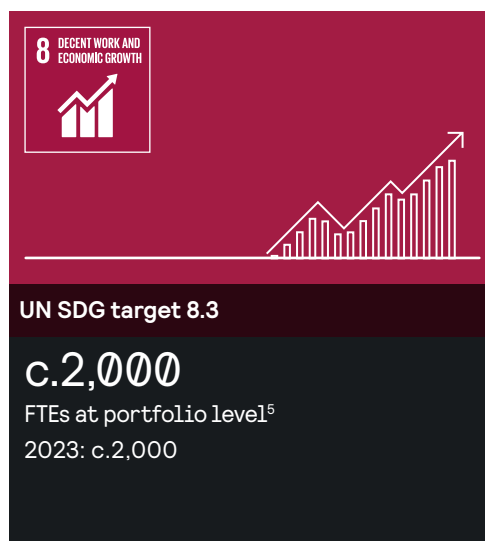
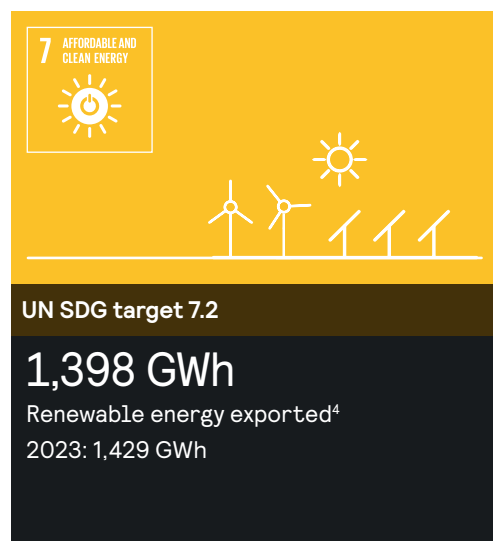
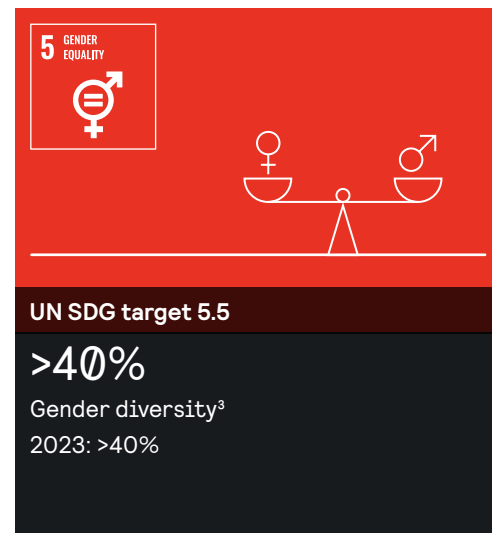
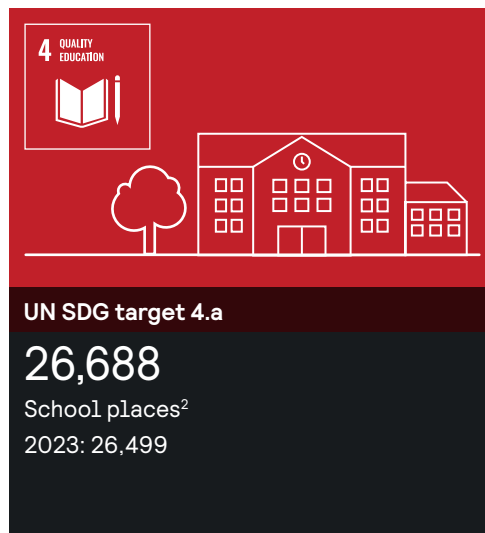
Open-ended Funds¹



1. Data at 31 March 2024

Investments that align with the UN SDGs

Closed-ended Funds



1. Portfolio level beds for GCP Infra at 30 September 2023
2. Portfolio level places for GCP Infra at 30 September 2023.
3. Gender diversity of the closed-ended Fund Boards and the GCP Infra SPV company boards.
4. Energy exported by GCP Infra portfolio assets at 30 September 2023.
5. Combined FTEs at portfolio level for GCP Infra and GCP Asset Backed.
6. Combined investment by GCP Infra from IPO to 30 September 2023 and GCP Asset Backed from IPO to 30 December 2023.
7. Investment by GCP Asset Backed at 31 December 2023.
8. Projects that meet the definition of 'affordable housing' under the UK Government's National Planning Policy Framework.
9. Investment by GCP Infra from IPO to 30 September 2023.

Environmental

We manage our business in an environmentally sustainable manner and seek to minimise our environmental impact.

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION





Our environmental impact

Gravis is the Investment Adviser to GCP Infra, a FTSE 250 investment company that invests in UK infrastructure assets, including c.£650 million¹ invested in renewable energy projects. GCP Infra was awarded the Green Economy Mark by the London Stock Exchange in 2020 in recognition of its contribution towards driving a greener economy.

We also advise VT Gravis UK Infra, which invests in the UK listed infrastructure sector, and VT Gravis Clean Energy, which invests in a portfolio of global listed securities involved in the operation, funding, construction, generation and supply of clean energy.



GRESB

GRESB is an independent organisation that provides validated ESG performance data and is a global benchmark of ESG performance. In 2023, Gravis completed a GRESB assessment for Blackcraig Wind Farm, an asset in the GCP Infra portfolio. GRESB data is now used by 170 institutional and financial investors with more than \$51 trillion in AUM.

Blackcraig Wind Farm is a 52.9 MW onshore wind farm consisting of 23 wind turbines located 7km north-east of Galloway in Scotland. It was 50% co-owned with Temporis Capital Ltd ('Temporis'), who are the day-to-day asset manager. The wind farm consists of 23 Siemens SWT-2.3/93 turbines, each with a capacity of 2.3 MW. In January 2023, Gravis and Temporis began gathering information and data using data collection templates and scoring tools for the GRESB 2023 Infrastructure Asset Assessment. The assessment was submitted in June 2023, after six months of data collection and review, assisted by professional advisers ITPenergised.

In October 2023, GCP Infra received the final GRESB rating for Blackcraig Wind Farm, which received an overall rating of four green stars and a score of 90 out of 100, placing fourth out of eight in its peer group of onshore wind power generation in Northern Europe.

The GRESB assessment is detailed and time intensive, and provides a transparent and independent benchmark for the asset. It is intended that any lessons learned, and best practice, will be applied to the rest of the GCP Infra portfolio, where applicable.

In April 2024, GCP Infra disposed of its interest in loan notes secured against Blackcraig Wind Farm at a 6.4% premium to its valuation at 31 March 2024.

Our carbon footprint

We run our operations on a carbon-neutral basis to support the transition to net zero. We achieved this by assessing our biggest greenhouse gas emitting activities to see where we could reduce their impact through changes in policy and by offsetting the remaining carbon emissions.

Business travel, specifically flights, are our largest operational source of greenhouse gas emissions. Our business travel policy encourages the use of public transport and minimises flight travel. We encourage our employees to use video conferencing rather than travel using carbon emitting infrastructure. We also operate an electric vehicle scheme and a bike to work scheme to encourage our employees to travel in more carbon efficient ways.

We operate an office consumable and paper recycling scheme. All staff are provided with stainless steel, BPA-free, reusable water bottles and insulated cups to reduce the impact of single-use plastic cups and water bottles. Employees are asked to recycle paper, confidential waste, cardboard, plastic, batteries and printer cartridges.

Our premises in London have been awarded an 'Excellent' rating from BREEAM which is a gold standard in sustainability certifications.

To determine our carbon footprint, we collect Scope 1, 2 and 3 emissions for the Company. As part of the initiative to reduce our climate emissions, we contribute to a portfolio run by the provider, Climate Impact Partners, who have the aim of reducing one billion tonnes of CO₂ by 2030 to transform the global economy, improve health and livelihoods and restore a thriving planet.

Whilst we do not consider offsetting to be a perfect solution to the impact our activities have on the environment, we believe it is a useful starting point. Our ultimate aim is to reduce emissions and we will continue to investigate and follow best practice in this area.

In addition, Gravis supports and contributes to the website [Climatecloud.org](https://climatecloud.org), which is focused on raising awareness of the causes, effects and potential solutions to climate change.

Further information on carbon emissions is provided on pages 18 and 19.

1. Holdings at 30 March 2024.

B Corp: Leading by example



“Completing the B Corp assessment has reinforced our commitment to sustainability, transparency, and ethical practices, inspiring us to continue to foster positive change.”

Chloe Marlow
Director of Fund Finance and Operations

Supporting our values:

01
Find a better way



We are proud to have been awarded a B Corp certification in April 2024.

We join an international movement of c.8,000¹ businesses across 96 countries that meet B Corp's high standard of social and environmental performance, transparency and accountability, from supply chain to charitable giving and employee benefits, alongside a commitment to goals that go beyond shareholder value.

Certified B Corporations are leaders in the global movement for an inclusive, equitable and regenerative economy. In order to achieve B Corp status, a company must undergo a 'B Impact Assessment' which measures a company's entire ESG performance. To achieve certification, B Corps must score at least 80 points and fulfil a legal requirement for stakeholder governance. The median score for ordinary businesses is 51 points.

The B Impact Assessment evaluates a company's practices and outputs across five categories: governance, workers, community, the environment and customers. Gravis commenced the process in 2022 and received B Corp certification from B Lab in April 2024.

Gravis' B Corp score of 99.4 demonstrates its commitment to these standards. Meeting the 80 point threshold for B Corp status is not normally achieved in the first year. As such, achieving B Corp status is a significant achievement for Gravis and we scored particularly well in the areas of health, wellness and safety, and employee engagement and satisfaction.

As a certified B Corp, Gravis is part of a community of like-minded businesses that engage with each other to share ideas and best practice. This formalises our sustainable and long-term business model, as well as providing a framework to ensure we continue to operate in accordance with the highest ESG standards. We are proud to be part of the B Corp community and look forward to collaborating over the coming years.

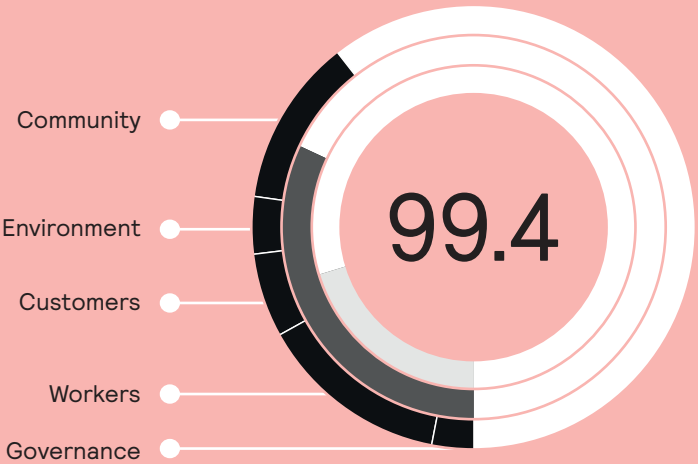


1. As of February 2024, there are 8,254 certified B Corporations across 162 industries in 96 countries.

Overall B Impact Score

Based on the B Impact Assessment, Gravis Capital Management Ltd. earned an overall score of 99.4. The median score for ordinary businesses who complete the assessment is currently 50.9.

- 99.4 Overall B Impact Score
- 80.0 Qualifies for B Corp Certification
- 50.9 Median score for ordinary businesses



B Impact Assessment

Governance	Workers	Customers	Environment	Community
Governance evaluates a company's overall mission, engagement around its social/environmental impact, ethics and transparency.	Workers evaluates a company's contribution to its employees' financial security, health and safety, wellness, career development and engagement and satisfaction.	Customers evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.	Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land and biodiversity.	Community evaluates a company's engagement with, and impact on, the communities in which it operates, hires from and sources from.

Source: B Lab Europe, data at April 2024.

Scan to view our
B Impact disclosure on
bcorporation.net:



Environmental continued



Task Force on Climate-related Financial Disclosures (“TCFD”)

For investors, climate change poses significant financial challenges and opportunities. The transition to a lower-carbon economy is estimated to require significant investment, generating new investment opportunities across the renewable energy sector. At the same time, the risk-return profile of organisations exposed to climate-related risks may change as organisations are affected by the physical impact of climate change, climate policy and new technologies.

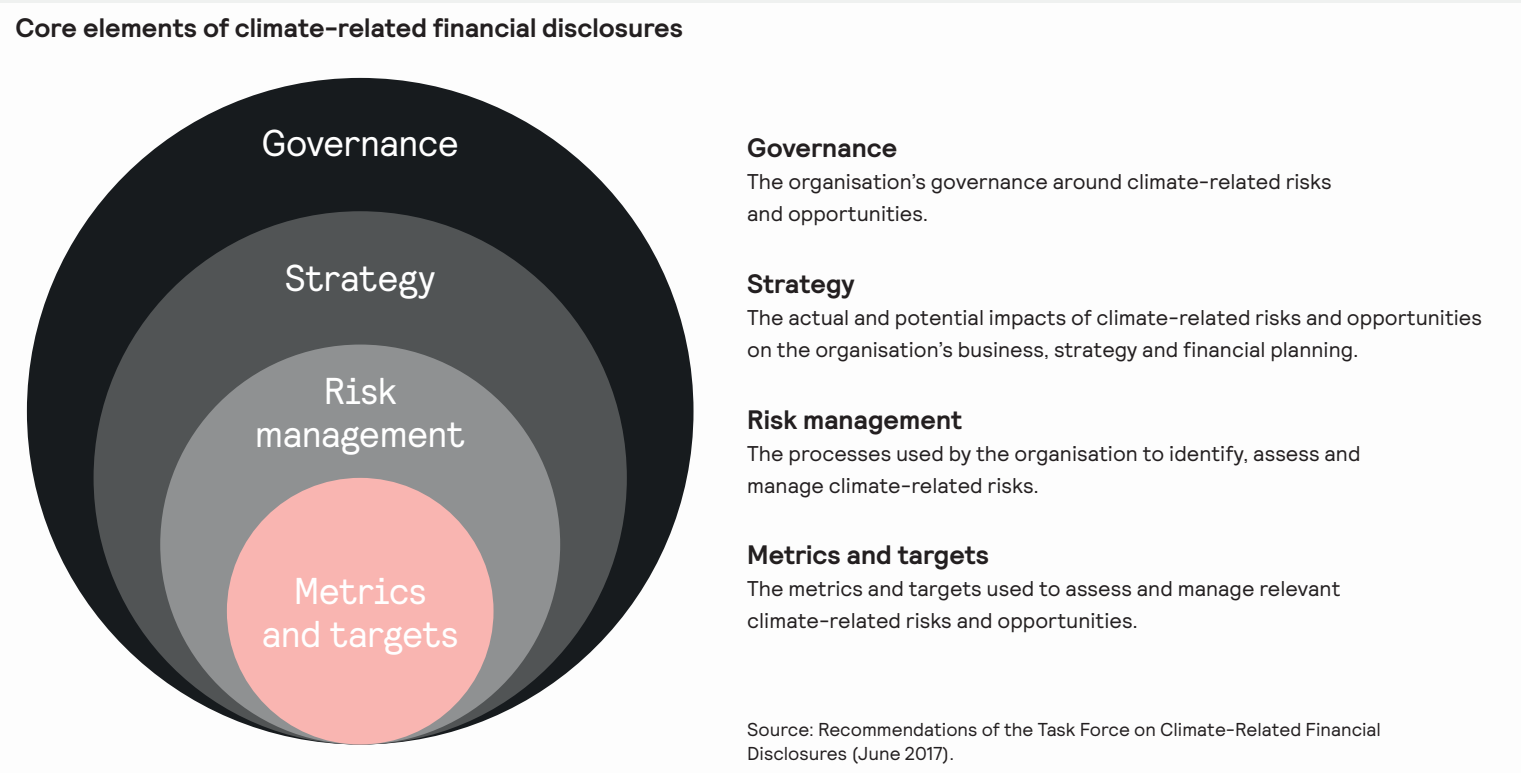
To help identify the information needed by investors and others to appropriately assess and price climate-related risks and opportunities, the Financial Stability Board established the TCFD to develop voluntary and consistent climate-related financial disclosures.

In 2017, the TCFD published their recommendations for all sectors, with additional disclosures for the financial sector. The recommendations are focused on four thematic areas that represent the core elements of how organisations operate: governance, strategy, risk management and metrics and targets, as detailed in the chart below.

Although investment funds are currently exempt from the TCFD requirements, the introduction of the IFRS sustainability standards by the ISSB will create a common platform and disclosure language for investment funds to report the effect of climate-related risks and opportunities on their businesses. We encourage the application of the TCFD framework and voluntary disclosure across all of our Funds.

Gravis is currently exempt from the TCFD requirements; however, we believe companies must be transparent about the financial implications of climate change on their businesses and clearly set out the actions they are taking to manage climate change risks and opportunities. We are making voluntary and partial disclosures under the framework.

The following tables detail the TCFD disclosures for the year with a description under the four pillars of governance, strategy, risk management and metrics and targets, giving consideration to the TCFD ‘Guidance for All Sectors’ and the supplemental guidance for the financial sector. Gravis will take steps to expand these disclosures and achieve full compliance with the requirements when they apply to the Company.



Governance

Governance in regard to climate-related risks and opportunities.

Gravis has adopted a Responsible Investment policy and operates a Responsible Investment Committee to monitor and implement ESG initiatives across the organisation. Responsible Investment is at the core of our investment management processes and is led by the investment team. These investment processes are overseen by the Responsible Investment Committee, which reports to the Board.

The Board considers best practice application of ESG principles as paramount to the Company's operations, the assets within the Fund's investment portfolio and the operation of service providers. Further information on the committee and the governance structure can be found on page 29.

For the closed-ended Funds, climate risks are considered at each stage of the investment process, including initial deal screening of opportunities and investment due diligence processes. Risk assessment takes the form of both quantitative analysis and qualitative assessments looking at the ESG approach of investee companies.

Environmental impact assessments are carried out as part of the due diligence process to identify potential transition and physical short, medium and long-term impacts to costs and viability across service providers and investments.

During the year, the portfolio management team carried out a climate risk assessment for each asset held in the closed-ended Fund portfolios. This enabled asset specific climate-related risks and opportunities to be assessed and reported by the Funds. Further information can be found on page 17.

Following execution and investment, key relevant ESG indicators are monitored by the portfolio management teams. ESG indicators are reported to our listed Fund Boards for consideration as part of our quarterly reporting cycle.

Our open-ended Fund Managers review ESG indicators for the portfolio on an annual basis. We seek to engage with investees to understand relevant ESG factors and to manage exposure to risks through our voting and engagement activities.

Further information on governance can be found on pages 28 to 31.

Strategy

Impacts of climate-related risks and opportunities on the Company and/or Funds.

The majority (four of five) of our open-ended Funds are managed in accordance with a Responsible Investment statement which sets out the ESG objectives of each relevant Fund.

The closed-ended Funds do not have an explicit ESG investment objective but aim to positively impact the environment and society. On page 16, we have set out a summary of the potential physical and transition impacts and opportunities in the sectors in which we invest.

The main climate risks faced by Gravis relate to:

- transition risk; that the funds may become non-viable as result of legislation, regulation or market changes;
- technological risk; that the assets the funds invest in become obsolete due to market developments; and
- physical risk; that changes in climate may lead to business interruption for the Company and/or the Funds.

We believe we are well positioned to benefit from climate-related opportunities as the transition to net zero will require significant capital, part of which will need to come from the private sector.

The impact of these opportunities is that Gravis may be able to deploy capital to a wider range of funds or sectors than it is currently able to, increasing Fund diversification and product offerings.

Environmental continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Strategy continued

Impacts of climate-related risks and opportunities on the Company and/or Funds.

A summary of the potential physical and transition impacts on the sectors in which we invest is included below, along with transition opportunities these impacts may present to the Company and/or Funds.

Property	Social infrastructure	Renewable energy infrastructure	Digital infrastructure
Potential impact¹: ● Short term: Higher temperatures during the summer months are likely to make the inhabitants less comfortable. Increased building operations and maintenance costs. Any changes to the Minimum Energy Efficiency Standards (“MEES”) may impact some properties and require a focus on insulation and reduction in energy usage. ● Medium/long term: More frequent extreme events may cause damage to buildings and pose a risk to inhabitants. More frequent and severe flooding and reduced water availability may expose homes and their occupants to greater risks. Increased LTVs from a reduction in the property value of older homes may increase credit risk. Climate opportunity: Funding energy-efficient buildings which contribute to the avoidance of GHG emissions. Identifying improvements to existing housing for insulation and flood defence provisions.	Potential impact¹: ● Short term: Floods increase the risk of contaminated water and related diseases; fires and other extreme weather events cause potential damage to buildings. Any changes to the MEES may impact some properties and require a focus on insulation and reduction in energy usage. ● Medium/long term: Significant impacts on this sector by putting localised strain on businesses and public services, potentially leading to closures and loss of revenues. Implications for mental health amongst the local population. Climate opportunity: Funding energy-efficient buildings with green building accreditations and the retrofitting of existing stock will contribute to the avoidance of GHG emissions.	Potential impact¹: ● Short term: Temperature impacts the efficiency of solar panels. Wind turbines are shut down during high winds. Energy and fuel supply chains impacted. Inability to service customers. Rapid and unexpected changes to government taxation policy may impact revenues. ● Medium/long term: Higher temperatures may negatively impact key components. Storms may cause damage to parts and infrastructure. Closure of services impacting energy provision to customers, leading to loss of revenues. Increased deployment of renewable generation, reducing the marginal cost of electricity, thereby impacting forecast revenues. Climate opportunity: Increased demand for new renewable energy asset classes such as carbon sequestration, flexible generation, battery storage, biogas and hydrogen and alternative fuel sources such as CNG fuels.	Potential impact¹: ● Short term: Flooding, higher winds and changes to humidity and temperature, drought and increased storminess may cause potential damage to infrastructure. Higher costs of cooling and stress on components, leading to shorter asset life and higher operating costs. ● Medium/long term: Reputational damage, failure to meet customer service level agreements, failure to meet regulatory objectives and unbudgeted costs. Climate opportunity: Digital technologies offer new opportunities to understand and monitor processes that reduce emissions. Their integration in transport, manufacturing, energy and agriculture may reduce UK and global GHG emissions.

1. The Company defines short and long-term risk time horizons as follows: short term: zero to three years; medium: four to eight years; long term: more than eight years.

Risk management

Risk identification, assessment and management.

Risk framework

We have a comprehensive risk framework and compliance process to ensure that all risks, including ESG risks, are monitored and managed with due care and diligence and that we are fully compliant with applicable environmental legislation.

We have risk management systems which enable us to identify, measure, manage and monitor all risks relevant to the business and its Funds under management. The arrangements are proportionate to the nature, scale and complexity of our business as well as that of the risk profiles of the Funds we manage. Gravis has a dedicated Risk Officer who reports directly to the Board in accordance with functional and hierarchical separation of risk management and portfolio management.

Pre-investment

Gravis' investment process involves extensive due diligence. Each prospective investment is evaluated, taking into account the particular risks associated with it (including climate risks) and their effect within the context of the overall portfolio. ESG consultants are used when required and are appointed as part of the due diligence process on a prospective investment. A detailed investment proposal is prepared for the Investment Committee to review, which includes ESG metrics.

Active ownership

For our open-ended Funds, Gravis, in connection with Valu-Trac, the Investment Manager, oversees compliance for ESG matters, including ensuring the Funds are run in adherence with a Responsible Investment statement where applicable. The Responsible Investment statements can be found on our website.

For the closed-ended Funds, Gravis' portfolio management teams perform analysis of climate risk across physical assets and the impact on Fund viability on a regular basis. Physical assets are monitored on an ongoing basis and any changes in risks associated with a particular investment are highlighted in the quarterly reporting prepared for the Fund Boards.

Throughout the year, we conducted detailed portfolio-wide climate risk assessments across each of the projects in the closed-ended Funds' portfolios. The risk assessment considered nine risk factors divided between physical and transition risks:

- Physical risks: these are events that are driven by a shift in temperature and weather patterns. The assessment considers five risks: flood risk; heat stress; water stress; fires and wildfires; and severe winds and storms. These events have been chosen based on their materiality to the overall portfolio.
- Transition risks: these are the risks related to the transition to a low-carbon economy. Four areas were considered: policy or regulatory; technological; market; and reputational risk.

External and internal data points were used to assess the portfolio. EPC ratings and flood risk data were obtained using databases provided by the UK Government for all available sites in the portfolio. The data points were used to calculate the portfolio exposure to changes to energy efficiency standards and to flooding.

An asset-by-asset assessment was also undertaken internally by the Investment Adviser's portfolio management team to consider the specifics of each investment and understand the overall exposure to climate change and any mitigating factors.

The results from the risk assessment will be used as part of decision making in relation to portfolio management, to help identify further mitigation strategies and to inform whether any change is required to the underlying financial forecasts.

Further information can be found in the closed-ended Company annual reports on our website.

Environmental continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Metrics and targets

Metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Data collection	Carbon neutrality	Methodology
This year, for the second year, we completed a project to collect ESG data from our Funds’ portfolios. The process involved the Investment Adviser’s portfolio management team liaising with each asset operator to obtain relevant ESG data on the underlying portfolio assets. In 2022, Gravis appointed MJ Hudson (now part of the Apex group), as our external consultant to advise on the project and carry out work as part of that appointment. When considering ESG metrics, the Funds were advised using framework guidance provided by SASB, GRESB and the UN SDGs. This year we engaged with Aardvark, an external ESG certification service who provide independent and impartial auditing and certification services. Aardvark reviewed the outputs from the GCP Infra data collection project, verifying the calculated carbon emissions were correct. As part of this, Aardvark reviewed primary evidence supporting the data collection and where this was absent, they reviewed the reliability of secondary data. Where GCP Infra was unable to collect data, Aardvark assisted in developing and verifying estimates. Aardvark have also made recommendations on how GCP Infra may improve its data collection so that it can prepare for a limited assurance process in future.	Gravis met its goal, set in 2019, to run its operations on a carbon-neutral basis by 2023 to support the transition to net zero. We believe that this is the right thing to do as a business to help meet the international target set out by the 2015 Paris Agreement to limit global warming to below 2°C. We offset our carbon emissions using a carbon offsetting scheme; further information can be found on page 11. Our premises in London have been awarded an ‘Excellent’ rating from BREEAM which is a gold standard in sustainability certifications. Energy provision at our offices is managed by the building operator. The building operator switched energy providers at the beginning of 2024, changing the energy supply from renewable to mixed fuel, which, while we can influence, the ultimate decision is beyond our control. GHG emissions In order to collate the information below, we have followed the Government’s environmental reporting guidelines and the GHG protocol. An operational control approach was used to define the organisational boundary and responsibility for GHG emissions. We have defined the year ended 31 March 2023 as our base year. In order to express the emissions in a quantifiable factor associated with the Company’s activities, an intensity ratio per £1 million of revenue has been chosen. This will allow the comparison of performance over time, as well as with other companies in the sector. The electricity consumption for our office increased by 12.5% year on year, primarily due to the increase in the use of office heating and cooling systems. This is an area we aim to focus our efforts over the coming year to reduce our consumption. Our overall decrease in Scope 3 emissions has been driven almost entirely by a reduction in business travel of 21.2% compared to the prior year, which was the first year Covid-19 travel restrictions were removed in the UK and worldwide.	Scope 1 and 2 emissions These are emissions from our offices at 24 Savile Row, London. The Company does not have any Scope 1 emissions to report. Scope 2 emissions relate to the purchase of electricity to power our offices. We have chosen to report the consumption using standard DESNZ conversion factors in the absence of source-specific factors. Electricity consumption is based upon actual data provided by the building operator for the relevant reporting period. Scope 3 emissions This year, we have maintained the scope of our reporting, in line with the prior year. We will seek to expand our reporting to further capture Scope 3 data and set reduction targets for future years where possible. Scope 3 (other indirect) emissions fall under the following categories within Scope 3 as defined by the GHG Protocol: Category 1: Purchased goods and services Emissions from goods and services purchased by Gravis through operating expenditure. For the majority of purchased goods and services we use a supplier-specific approach, whereby our procurement spend on each supplier is multiplied by the supplier’s organisational carbon footprint intensity (market-based Scope 1 and 2 plus upstream Scope 3 emissions) in tCO₂e as disclosed through publicly available data. Using this approach, we were able to report 19% of our annual spend over eight of our top 20 suppliers.

Category 5: Waste generated from operations

Emissions from the disposal and treatment of waste generated by our activities.

Emissions are estimated by applying DESNZ emission factors to tonnage of waste generated by our operations. We use an office consumables and paper recycling scheme. Employees are asked to recycle paper, confidential waste, cardboard, plastic, batteries and printer cartridges.

Category 6: Business travel

Emissions from transportation of employees for business-related flights (air travel) and business-related travel by road and rail.

Air travel emissions are calculated based on the distance travelled multiplied by the air travel DESNZ emission factor for the corresponding ticket class and flight length. Distance data is included for all flights booked with a departure date within the reporting period. Rail, bus and car travel emissions are calculated based on the distance travelled multiplied by a DESNZ rail travel emission factor.

Category 7: Employee commuting

Transportation of employees between their homes and our offices during the reporting year.

Emissions are calculated by multiplying the total number of employees by the distance travelled per day using actual data from employee surveys, multiplied by approximately three days working from the office per week, travelling by a particular mode of travel, and the DESNZ emission factor for the given mode of transport. Our data also includes working from home emissions.

	Increase year on year	Year ended 31 March 2024	(Base year) Year ended 31 March 2023
Greenhouse gas emissions			
Scope 1:			
Direct GHG emissions		—	—
Scope 2:			
Electricity indirect GHG emissions		10.6	9.4
Total gross Scope 1 & Scope 2 emissions / tCO₂e		10.6	9.4
Energy consumption used to calculate above emissions: /(kWh)	12.5%	51,056	45,376
Scope 3: Other indirect GHG emissions			
Category 1: Purchased goods and services		25.4	18.8
Category 5: Waste generated from operations		0.8	0.4
Category 6: Business travel		81.1	101.9
Category 7: Employee commuting		22.2	25.3
Total gross Scope 3 emissions / tCO₂e		129.5	146.3
Total gross Scope 1, Scope 2 & Scope 3 emissions / tCO₂e	(10.1)%	140.1	155.7
Carbon offsets / tCO ₂ e		(140.0)	(160.0)
Total annual net emissions / tCO₂e		0.1	(4.3)
Intensity ratio: tCO ₂ e (gross Scope 1 + 2 + 3) emissions per £1 million revenue	4.7%	6.5	6.2

Energy transition: A fresh approach



“This project reflects Gravis’ ongoing commitment to finding new and innovative ways to support the transition to net zero.”

Tim Roberts
Associate Director, GCP Infra

Supporting our values:

01

Find a better way

Investing in clean energy infrastructure is one of the main ways to protect our planet against climate change.

In May 2023, GCP Infra provided funding of c.£20 million to support the build-out of innovative renewable energy infrastructure on public sector sites, predominantly schools, across England. Named ‘SolarCatcher’, this project is a fresh approach to the energy transition, as it uses existing car park infrastructure to generate on-site renewable energy for schools and academies, whilst providing electric vehicle charging points for staff and visitors. There is no upfront cost to the schools or academies as construction costs are met by the Fund.

The SolarCatcher ‘units’ consist of wooden or steel canopy structures installed above existing car parking spaces. Solar panels are attached to these structures, with integrated electric vehicle charging points provided in each space. As part of the financing, each school enters into a power purchase agreement with SolarCatcher under which they purchase power produced by the solar panels for use within the school, thereby reducing the power they need to draw from the electricity grid. These power purchase agreements are executed for a fixed price which is lower than the price the schools pay to their usual supplier.

Therefore, the agreement with SolarCatcher not only provides certainty of cost and is a source of energy, it also ensures lower energy bills, which is particularly important given the current strain on public budgets. In addition, SolarCatcher has agreed a gainshare mechanism with the schools, where they benefit from a percentage of the profits generated by the electric vehicle chargers. This allows the schools to earn money from the use of the chargers which can then be reinvested into school projects, improving wider infrastructure and benefitting communities.

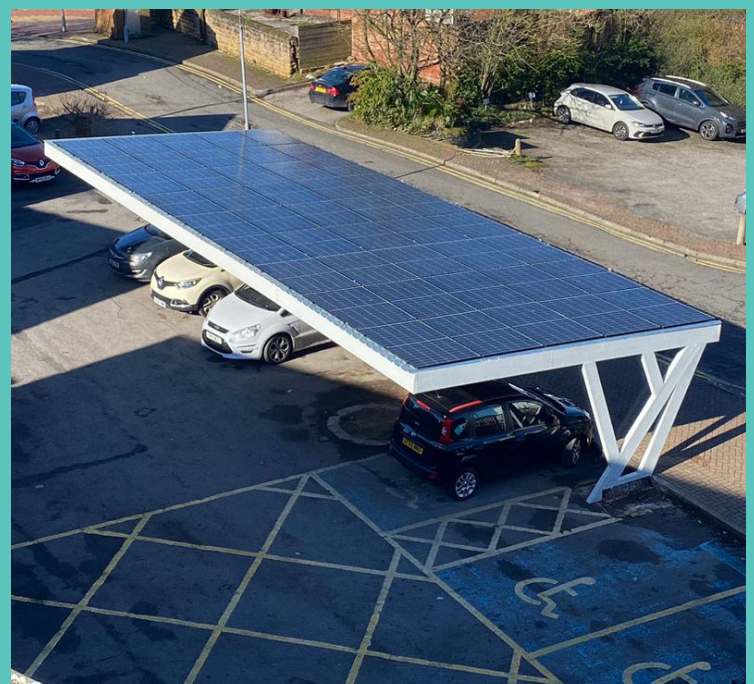
By providing on-premise charging options for staff, schools can support employees and alumni to play their part in the energy transition. Electric vehicle charging needs to be made as convenient as possible, making ‘destination’ charging (where electric vehicle users charge at the final point on their journey, e.g. at work, shopping malls, hotels, etc.) vital for the take-up of electric vehicles. Workplaces are the ideal location for this, as cars are left for the longest period during the working day. Thus, access to workplace charging is critical to support those who lack access to charging infrastructure, and in particular off-street parking, at home.

We were delighted to reach financial close on this transaction and remain committed to supporting public sector institutions in maximising the benefits of renewable energy. The SolarCatcher initiative is a great example of this, with the first installation completed in Sutton-in-Ashfield. It consists of 15 SolarCatcher units providing 92kW of generating capacity and up to 30 electric vehicle chargers. The wider financing package from the Fund will support the installation of 1,500 SolarCatcher units, providing 11 MW of solar power to schools and academies and support the installation of up to 3,000 electric vehicle charge points for staff, pupils and visitors.

Gravis' approach to the financing of the SolarCatcher project is also a great example of 'living our values', specifically 'finding a better way'. The application of project finance principles to a new type of infrastructure and a fresh technological solution has allowed us to support public sector institutions in their decarbonisation targets. This funding is essential, as public budgets are stretched and school and academy financing of such projects is not prioritised by the public sector.

We look forward to continuing the SolarCatcher rollout this year.

Solarcatcher units



Social

We act in accordance with human rights, are a fair and inclusive employer, and seek to operate in ways that benefit society at large.

3

GOOD HEALTH
AND WELL-BEING



8

DECENT WORK AND
ECONOMIC GROWTH



10

REDUCED
INEQUALITIES



11

SUSTAINABLE CITIES
AND COMMUNITIES



Our social impact

GCP Infra and GCP Asset Backed focus on assets that are integral to society, including hospitals, schools, housing for vulnerable adults and care for the elderly. Gravis also advises Gravis UK Listed Property, which invests in a diversified portfolio of real estate companies with a focus on socioeconomic trends.

Looking after our employees

The health, safety and wellbeing of employees is one of Gravis' main priorities. We invest in professional development and support employee health and wellbeing.

In 2022, we were awarded an 'Investors in People' accreditation, which assesses how organisations perform in areas such as employee engagement, communication, organisational culture and work practices. Gravis has committed to working with Investors in People with the aim of improving its accreditation level over a three year period.

Investors in People is the UK's leading people management standard, designed to help organisations improve performance through their employees. Part of this is giving employees the opportunity to reach their potential through the provision of regular training to staff, including funding for specific industry qualifications.

Investors in People carried out a review of our progress this year, which involved conducting a business-wide employee feedback survey and holding focus groups with a sample of 13 employees across the business. The survey had a participation rate of 82%.

Feedback from the review indicated a positive shift in openness and transparency across the business, as well as improvements in leadership. The review has also provided Gravis with an action plan which identifies areas of improvement and actions that can be taken to implement these over time.

We consider people to be our biggest strength as a business, and we want to improve the way we manage, develop and lead. This is an ongoing process and we have committed to working with Investors in People over a three year period.

INVESTORS IN PEOPLE® We invest in people Standard

We encourage everyone in the business to reach their potential and provide regular training to staff, including funding specific industry qualifications.

This year we held formal ESG training across the wider business, including a session on mental health and a presentation on the 2023 Responsible Investment report.

We have a range of measures in place to support the physical and mental health of our employees, including a private healthcare package, mental health awareness training and guidance on healthy home working. We offer hybrid working arrangements to all employees. The wellbeing of our employees remains a key priority today and in the future.

We hold 'above and beyond' awards every quarter to reward employees who have gone the extra mile for the Company in their roles, which are awarded based on nominations from across the business.



Social continued

Charity partnership

This year we continued to operate our charity of the year scheme. Through the scheme we partner with a charity organisation to participate in fundraising, events and volunteering. Each year we receive suggestions from employees for charity partners and compile a shortlist where employees vote for a preferred partner for the year. This year, we continued to support the chosen charity from 2023, Little Village, which is a charity that supports local low-income families.

Little Village fosters a village of support and solidarity for low-income families in London with children under five. They equip families with pre-loved clothes and baby essentials as well as linking them with key services. The charity operates like a food bank, but provides clothes, toys and equipment for children. They collect donations of pre-loved items, which are donated to families who need support.

The charity’s focus on pre-loved also means that they promote the circular economy. In the UK, it is estimated that over 350,000 tonnes of clothing go to landfill each year. In addition to clothing, millions of tonnes of baby items are disposed of each year.

During the year, our employees spent time at the Little Village depot assisting the charity in cleaning and packaging items to be sent to families they support. This provided employees with an opportunity to work as a team, engage with the local community and understand more about the hardships low-income families with young children face. 38 employees participated across the business with over 185 hours spent volunteering during the year.

Total amounts donated for Little Village during the year were c.£21,000. We also made donations of c.£19,000 to the charities shortlisted as part of our charity of the year initiative. These were Surrey Docks Farm, Pollinating London and Trees for Cities. Furthermore, we met employee fundraising through our matched giving scheme.

As a business, we also operate a volunteering initiative which supports our employees to volunteer for charitable or not-for-profit purposes by giving an additional two days’ leave and two days’ unpaid leave per year. This year, employees volunteered at Surrey Docks Farm, Little Village, Pollinating London and Trees for Cities projects.



1. Twelve month period to 31 March 2024.

Diversity data

In 2023, Gravis introduced a formal diversity policy, as well as diversity and equality training for all employees. This year, we carried out an anonymous questionnaire to help understand the makeup of our workforce. This means the data can be monitored over time as Gravis strives for improvement in diversity, equality and inclusion ("DEI"), while also considering specific areas of focus. A broad range of data was collected, including ethnicity, disability, neurodivergence, sexual orientation, gender identity, social background and caring responsibilities of employees, with the survey completed by 69% of employees. This is the second year we have carried out the questionnaire. We believe it is important to track DEI data over time to monitor improvements and allow us to address investor questions on DEI in a meaningful way. This will facilitate improved diversity reporting going forward.

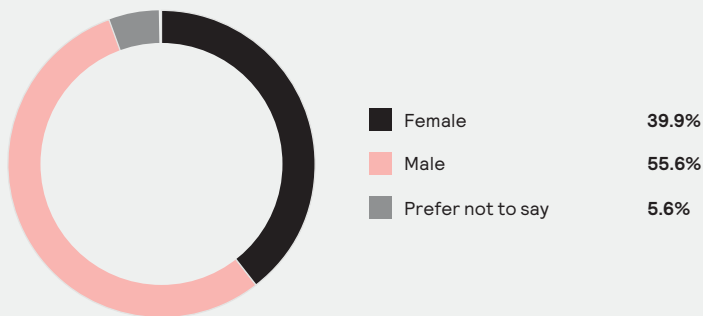
At Gravis, just under half the staff members are female, and c.40% of senior management positions are held by female employees. The Board has seven members, all of which are male. We recognise that gender diversity is a particular challenge in the investment industry, and that a concerted and collaborative effort is required to make the financial services sector more attractive for women at all levels of seniority. As such, we are supporters of the Young Women Into Finance Scholarship programme, a not-for-profit social organisation dedicated to the eradication of gender bias for new graduates entering the finance industry. This year, three employees at Gravis committed to coaching mentees through the programme. We also facilitated a paid internship for a student as part of the programme. The intern worked across various teams at Gravis.

Gravis also participated in the 10,000 Black Interns programme this year for the second year, which offers paid internship opportunities across more than 25 sectors, along with training and development opportunities. We offered two paid internships as part of the programme, with both interns working across the Company.

We intend to continue our involvement with the 10,000 Black Interns programme and the Young Women Into Finance programme in the forthcoming year. This commitment reflects Gravis' passion for inspiring change and helping young people achieve a career in the Investment industry.

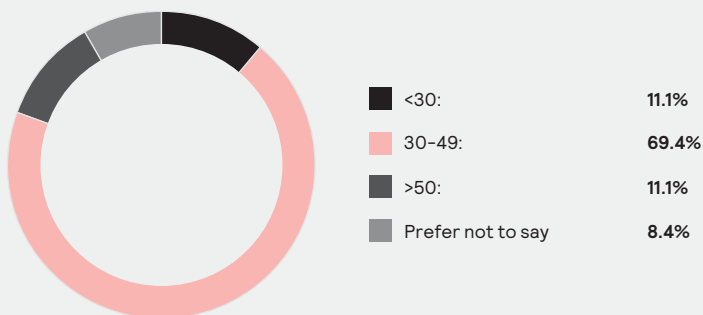
Gender diversity

Gender of employees



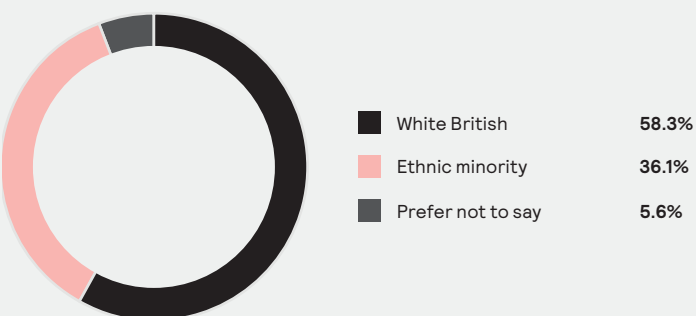
Generational diversity

Employees by age group



Ethnic diversity

Ethnic group



Education: Inspiring change



“As wind power is one of the fastest-growing forms of renewable energy in Scotland, it was great to educate young members of the local community about renewable energy generation.”

Matteo Quatraro
Director, Head of Portfolio

Supporting our values:

03

Be nice

Employees visited a primary school to educate students about renewable energy.

In April 2023, Pates Hill Wind Energy Ltd, a SPV company in GCP Infra's portfolio, donated £10,000 to Kirknewton Primary School to help improve their green initiatives and promote green activity and culture among students. The donation was used to improve their outdoor spaces and create different green areas dedicated to agricultural activities and gardening. The school also used the funding to build wooden structures that children can play in regardless of weather conditions, encouraging them to socialise outside with different year groups. Alongside the donation, Gravis facilitated a trip to a nearby portfolio asset, Pates Hill wind farm.

Pates Hill wind farm lies around 10 miles south-east of Kirknewton Primary School. It is comprised of seven 2 MW turbines and is located between Glasgow and Edinburgh in West Lothian, Scotland, on a former mining site. Operational since March 2010, it generates enough energy to power c.8,000 households annually. As a generator of renewable energy, Pates Hill wind farm has inherent environmental and social benefits.

In 2023, Pates Hill Wind Energy Ltd contributed £70,000 to the West Lothian Development Trust, with contributions totalling £420,000 since GCP Infra's initial investment.

Wind power is the fastest-growing renewable energy technology in Scotland, with wind generating 78% of all renewable electricity output in 2023. Scotland currently has 9.5 GW of onshore wind capacity and c.2.9 GW of offshore wind capacity. In the Scottish Government's Energy Strategy and Just Transition Plan, it aims to deploy 20 GW of onshore wind by 2030, with the intention of making Scotland net zero using renewable energy sources.

For offshore wind, the Government is targeting an increase of 8-11 GW by 2030. Scotland's capacity for renewable energy increased by 10% in 2023, with the largest growth coming from offshore and onshore wind installations. Scotland continues to generate more electricity than it uses, with net exports to other UK nations worth an estimated £1.5 billion in 2023.



In April 2023, Gravis gave an educational presentation on wind energy and functionalities of wind turbines to 150 schoolchildren from Kirknewton Primary School and hosted a smaller group of c.40 children, accompanied by their teachers, to visit Pates Hill wind farm, where they learnt about wind power and its role in energy generation. The children spent the day at the wind farm with employees from Gravis, WPO (the operating team) and Vestas (the turbine manufacturer).

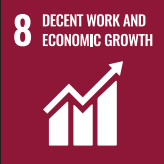
The children were divided into three groups, with one group of children taken inside a turbine. Another was taken to the engine room, and the final group was shown how the wind turbines operate by the WPO team, with each group rotating throughout the day. From the visit, the children learnt about wind turbine operation and construction, environmental monitoring and habitat management. The feedback from both the children and the school staff was positive, with several of the children wanting to learn more about a career in the renewable energy industry. We hope to be able to host similar events in the future.

Presentation to students



Governance

We conduct our business with good corporate governance, integrity and transparency, and ensure our stakeholders do the same.



Our governance impact

We have a clearly defined governance structure at Gravis with detailed processes that cover our business operations, including investment management and portfolio monitoring and reporting. We obtain assurance of our financial and operating controls processes annually through the completion of an ISAE 3402 audit by external auditor Deloitte LLP.

As a company that is part of the ORIX Group, which is listed on the US stock exchange and complies with the Sarbanes Oxley ("SOX") Act, Gravis undergoes an internal SOX audit conducted by ORIX annually.

In addition to the executive team, we employ a team of professionals with in-depth experience in the investment industry and asset classes.

ESG governance

For our closed-ended Funds, the fund portfolio teams are responsible for assessing and monitoring investments from an ESG perspective. The Fund portfolio teams report to the Board and the Head of Compliance and Risk, who collectively oversee adherence to the Responsible Investment policy.

The Responsible Investment Committee comprises senior personnel from across the business. The committee is responsible for all aspects of Gravis' Responsible Investment and ESG policies.

For our open-ended Funds, Gravis oversees compliance on ESG matters, including ensuring the Funds are run in adherence with a Responsible Investment statement where applicable.

Stewardship Code

Gravis adopts the definition of stewardship according to the UK Stewardship Code 2020: "Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society."

Our approach to stewardship and engagement is based on the Principles of the UK Stewardship Code 2020 and is in line with our current philosophy on responsible investing.

Responsible Investment and monitoring of investments is intrinsic to the design of our processes, thus ensuring that effective stewardship is an integral part of how we operate as a business. Further information can be found in our annual stewardship report on our website.

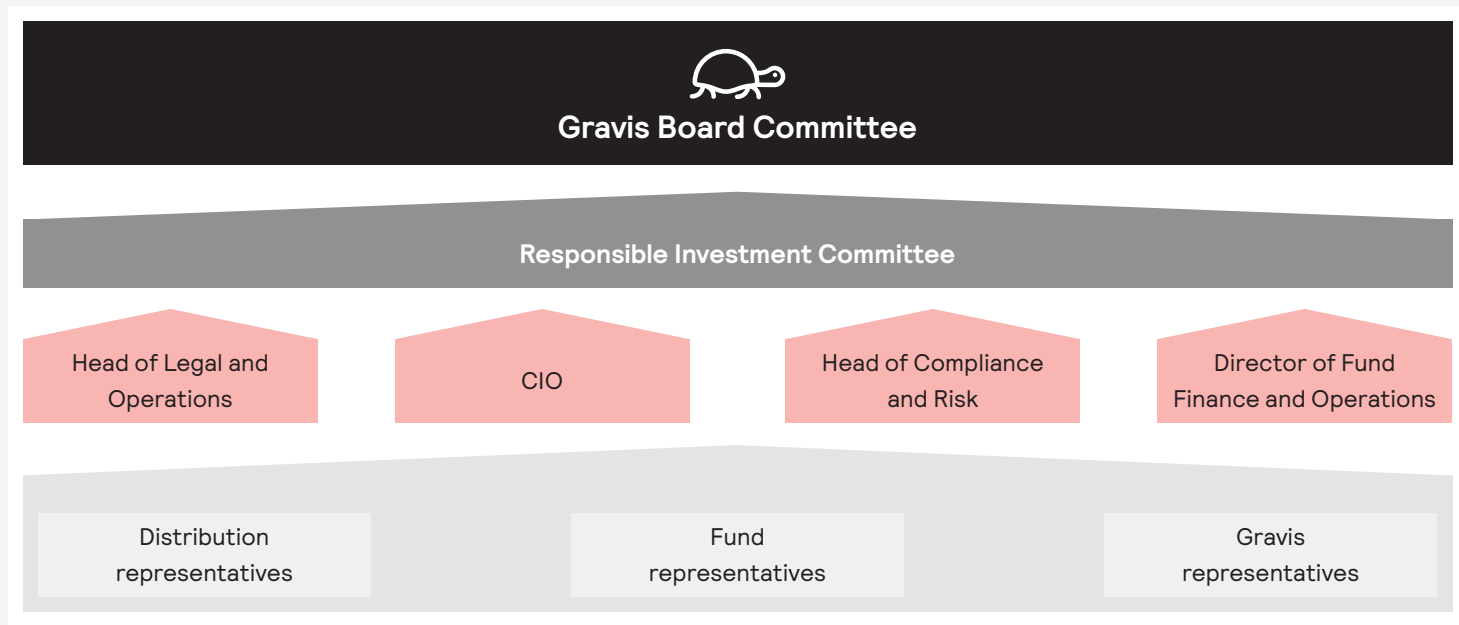
Cyber security

At Gravis, IT policies are designed to ensure the business is able to operate securely and reliably. Our IT and cyber security functions are outsourced to Fifosys, who are ranked as one of the top IT providers in the world, have an ISO27001 accreditation and are CE+ certified.

We take a risk-based approach to cyber security and we work closely with Fifosys. The Company maintains a Business Continuity Plan which is reviewed and updated periodically.

We provide tailored compliance training and awareness to our employees so they can incorporate and apply security measures in their daily tasks. We believe that as information and cyber security threats increase, companies must assess the risks and improve security to protect critical infrastructure and information.

ESG governance structure



Voting: Driving positive action



“Our primary aim with all voting decisions is the long-term interest of our clients, which includes ensuring fair and honest corporate governance and the adoption of socially responsible practices.”

Shayan Ratnasingam
Senior Research Analyst

Supporting our values:

02
Act carefully

We believe engagement is essential for matters relating to Responsible Investment.

Active ownership

Across our open-ended Funds, business is centred on the integration of active ownership practices into investment processes. This gives us the opportunity to drive positive change, where possible.

We understand that engagement is essential to achieving the best outcome for our clients. Therefore, we prioritise engagement based on the materiality of the issue and the Fund’s exposure to the Company. This allows us to provide input into the areas that materially impact shareholder value and invest in companies that are well managed and take appropriate account of ESG risks and opportunities.

To promote engagement across our Funds, we implemented a voting and engagement policy at the end of 2022, which all our open-ended Funds adhere to.

Voting record

Scope of data 2023/24

As such, this is the second year we are reporting on our voting and engagement record. In line with the policy, the lead advisers to the open-ended Funds engaged with investee companies on a range of issues throughout the year. These ranged from ESG target setting, board remuneration and conflict of interest concerns.

We set a series of objectives on voting and engagement last year with the view of improving reporting. These included:

- identifying potential engagement targets and topics;
- engaging with companies to drive change;
- monitoring the progress of engagement activities;
- amending an investment position or escalating our position if necessary; and
- reporting on our progress annually.

113

Votable
meetings¹

1,501

Votable
proposals¹

19

OECD
markets¹

1. Data for all open-ended Funds.

Engagement

One of our key priorities from last year was engaging with companies to drive positive change. We did this with several holdings in the open-ended Funds.

In August 2023, a REIT held by one of our open-ended Funds sought feedback on their social impact and sustainability targets. The Gravis team undertook a review of the REIT's website and relevant documentation and provided feedback by way of a written response and followed up with a meeting with the REIT's investor relations team and a B Corp certified external third party.

The engagement consisted of providing feedback on their flagship social impact and sustainability strategy and a review of their other ESG policies. The feedback provided included querying the sponsorship of a flagship sporting event and its relevance to the sector. The feedback also drew comparison to the REIT's peer group and highlighted the initiatives undertaken, such as committing 1% of annual profits to social initiatives.

Overall, the engagement was received positively, and we found the REIT to have a good understanding of sustainability objectives, whilst also aiming to improve their social objectives.

Voting

Voting is an integral part of our investment strategy. Our primary aim with all voting decisions is the long-term interest of our clients, which includes ensuring fair and honest corporate governance and the adoption of socially responsible practices. In line with the recommendations of the PRI, we believe that voting and engagement practices are interlinked.

As part of our voting and engagement policy, we aim to vote systematically, for all holdings, on all resolutions, at all meetings, predominantly in line with the ISS Sustainability Proxy Voting Guidelines. We achieved this goal in 2022 and 2023¹. This year, we voted on 1,501 votable proposals. Votes were predominantly in line with ISS Sustainability Proxy Voting Guidelines.

We note that diversity quotas can be problematic, particularly in circumstances where companies have a small number of Board members. In some instances, companies are domiciled in the Channel Islands, where demographical diversity is not at a level that allows quantitative quotas typically expected from UK boards to be achieved. Where possible, in line with ISS Benchmark Proxy Voting Guidelines, we encourage investment trust boards to strive towards a greater degree of ethnic diversity and expect at least 33% of the Board to be from an under-represented gender identity.

Looking ahead

We believe that integrating active ownership practices into our investment process creates a successful and sustainable long-term business and generates enhanced value for our clients and society at large.

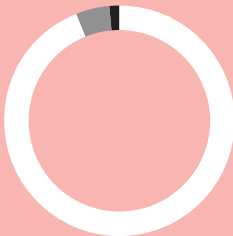
As part of this, we recognise the need to define our voting and engagement policy more clearly over the coming year. We also note the continued limited opportunities to vote on environmental and social issues. Over time we will aim to increase engagement on these issues.

In the long term, we will aim to engage with investee companies on a variety of ESG issues to build stronger relationships and instigate material positive change in their policies. We will also continue to highlight ESG issues with investee companies to raise awareness. Finally, we intend to continue reporting our progress in this regard on an annual basis.

Further information on voting and engagement can be found on our website.

Voting record

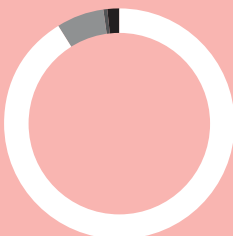
Voting action taken 2023/24²



Votes with management	93.9%
Votes against management	4.8%
Abstentions	0.1%
Do not vote ³	1.2%

Voting record

Voting action taken 2022/23



Votes with management	91.8%
Votes against management	6.7%
Abstentions	0.1%
Do not vote ³	1.4%

1. Excluding those which included at least one share blocking ballot. In 2022 and 2023, a 'do not vote' instruction was issued in the instance of one meeting due to share blocking.

2. In 2023, there were 13 votes regarding shareholder's views on the adoption of an annual say on pay frequency. In all cases we voted for 'one-year', these votes in line with management and with the ISS recommendation. Annual say on pay votes are considered a best practice as they give shareholders a regular opportunity to opine on executive pay.

3. Do not vote instruction issued with the inclusion of at least one share-blocking ballot. In 2022, a 'do not vote' instruction was issued in the instance of one meeting, with 22 resolutions.

Looking ahead

At Gravis, we are proud of the contribution our Funds make towards socioeconomic and environmental prosperity.

Governance

Last year

Assisted our Funds with climate risk assessments at portfolio level to assist with decision-making and financial planning.

Implemented the recommendations made by Apex, formerly MJ Hudson, and provided training on key subjects.

Published first voting and engagement report which included voting data points for the year.

Implemented a process to issue all new term sheets for GCP Asset Backed with incentive mechanisms included.

Progressed B Corp assessment with the aim of completion at the end of 2023.

This year

Further developed climate risk assessment to include a partial 2°C global warming scenario.

Engaged with Aardvark, an external ESG certification service, to review the outputs from the GCP Infra data collection project, and verify the calculated carbon emission data.

Improved voting and engagement record, and further engaged with investee companies where applicable.

Biodiversity and DEI considerations added to the ESG due diligence process for GCP Infra, as well as a climate risk assessment for all new investments.

Achieved B Corp certification in April 2024.

Next year (and further)

Seek to include full climate scenario analysis to climate risk assessment in accordance with TCFD.

Seek further verification of ESG data and improve data collection to seek limited assurance of data in the future.

Further improve social and environmental engagement with investee companies.

Explore further mechanisms that can be implemented at a Fund level to improve Responsible Investment across the portfolio.

Continue to review Responsible Investment practices to improve B Corp score over time.

Reporting

Last year

Fund portfolios mapped in alignment with the UN SDGs and information included in respective annual reports and Fund documentation.

Achieved our carbon neutrality goal and improved our carbon emissions reporting.

Expanded TCFD reporting for the closed-ended Funds in the respective Fund annual reports.

Reviewed the FCA's consultation paper CP22/22 on SDR and worked with consultant to produce preliminary SDR analysis for open-ended Funds¹.

This year

GCP Infra updated its modern slavery statement to include consideration of supply chain abuses and further align it with the UN SDGs.

Worked with Aardvark to verify carbon emissions data, and also develop and estimate data where it was not possible to collect it.

Expanded TCFD reporting to include a partial 2°C global warming scenario.

Labelling funds (as applicable) in accordance with the UK's SDR and investment labels rules.

Next year (and further)

Further development of ESG indicators to monitor and report ESG impacts and progress.

Adopt Aardvark recommendations and improve carbon emissions reporting over time.

Seek to set specific ESG targets for GCP Infra under TCFD metrics and targets c) disclosures.

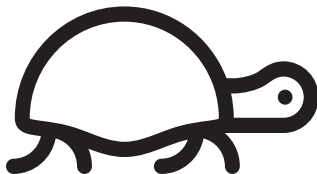
Funds to report under relevant SDR and/or SFDR label disclosures (as applicable) following start of reporting period in December 2025.

1. Excluding VT Gravis UK Infrastructure Income Fund.

We have made significant progress in integrating Responsible Investment practices into our business processes.

Awareness		
Last year	This year	Next year (and further)
Continued to develop our Funds data collection projects and assisted with the collection of portfolio data.	Increased the scope of the Funds data collection, with the project collecting a larger amount of data than the previous year.	Further improve the coverage of data collection projects, and introduce additional metrics and targets to enhance reporting standards.
Continued charity partnership and volunteering and fundraising initiatives, raising £55,000 for our Charity of the Year.	Expanded volunteering opportunities, giving employees the opportunity to volunteer and continued with our Charity of the Year scheme.	Expand Charity of the Year scheme to include more charities, and continue to offer paid volunteering days to employees.
Introduced a formal diversity policy and carried out a diversity survey to establish a baseline and enable us to better report diversity across our business.	Introduced diversity and equality training for all employees.	Introduce a formal recruitment policy which incorporates DEI criteria where possible.
Funded two ESG-focused internships to support the work on Fund ESG strategy and to assist with the data collection project.	Offered two paid internships as part of the 10,000 Black Interns programme, as well as a paid internship as part of the Young Women Into Finance programme.	Continue to work with partners to offer internships at Gravis for under-represented groups.
Continued to work with Investors in People to improve our employee engagement and performance processes.	Participated in a mid-term review by Investors in People to review our status.	Continue to work with Investors in People to improve our accreditation level and Company performance through our employees.

For further information
on Gravis and our Funds,
please visit our website:
www.graviscapital.com



Glossary

B Corp

Certified B Corporation

BPA-free

Bisphenol A free

BREEAM

Building Research Establishment Environmental Assessment Methodology

CEO

Chief Executive Officer

CFO

Chief Financial Officer

CNG

Compressed Natural Gas

CO₂

Carbon dioxide

DEI

Diversity, equity and inclusion

DESNZ

Department for Energy Security and Net Zero

EPC

Energy Performance Certificates

GHG

Greenhouse Gas

Gravis

Gravis Capital Management Ltd and its subsidiary Gravis Advisory Limited.

GRESB

Global Real Estate Sustainability Benchmark

GWh

Gigawatt hours

ISAE 3402

International Standard on Assurance Engagements ("ISAE") No. 3402

LTV

Loan to value

LSE

London Stock Exchange

Our Funds

GCP Infrastructure Investments Limited;
GCP Asset Backed Income Fund Limited;
Robeco Gravis Digital Income Infrastructure Fund;
VT Gravis UK Infrastructure Income Fund;
VT Gravis Clean Energy Income Fund;
VT Gravis UK Listed Property ("PAIF") Fund; and
VT Gravis Digital Infrastructure Income Fund

PRI

Principles for Responsible Investment

Robeco

Asset manager and distributor of Robeco Gravis Digital Infrastructure Income Fund

SDGs

Sustainable Development Goals

SDR

Sustainability Disclosure Requirements

SFDR

Sustainable Finance Disclosure Regulation

Share blocking

Prohibits shareholders from trading or loaning shares where they intend to vote for a period leading up to, and sometimes following, the Annual General Meeting date.

TCFD

Task Force on Climate-related Financial Disclosures

VTIM

Valu-Trac Investment Management Limited, the Investment Manager for our open ended Funds.

UN SDGs and targets

SDG 3

Good health and well-being

UN SDG target 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

SDG 4

Quality education

UN SDG target 4.a

Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

SDG 5

Gender equality

UN SDG 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.

SDG 7

Affordable and clean energy

UN SDG target 7.2

By 2030, substantially increase the share of renewable energy in the global energy mix.

SDG 8

Decent work and economic growth

UN SDG target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services.

SDG 9

Industry, innovation and infrastructure

UN SDG target 9.3

Increase the access of small-scale industrial and other enterprises, particularly in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

SDG 11

Sustainable cities and communities

UN SDG target 11.1

By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

SDG 15

Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

SDG 17

Partnerships for the goals

UN SDG target 17.17

Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

