ESG & Sustainability Report

Gore Street Energy Storage Fund plc

For the year ended
31 March 2026

Contents

ESG & Sustainability Highlights 1
Introduction 2

Section 1: About Us 3
About Gore Street Energy Storage Fund 4
Alignment with the UN SDGs 5

Section 2: Environment 6
Supporting the Transition to Net Zero 7
Case Study: Supporting the Energy Transition in California 9

Section 3: Social 10
People 11
Health & Safety 12
Supply Chain 13
Communities 14

Section 4: Governance 15
TCFD Report 16
Sustainable Finance Disclosure Regulation (SFDR) 26
Sustainability Disclosure Requirements (SDR) 31
Glossary 33

Purpose of this Report

This fifth ESG & Sustainability Report covers the financial year ended 31 March 2026 and reflects the Company's continued commitment to transparent reporting. It provides investors with an account of how the Company contributes to the energy transition, manages ESG-related risks and opportunities, and reports against relevant sustainability-related disclosure frameworks.

ESG & Sustainability Highlights FY 2025/26

Environmental

1.16 GW[1]
Portfolio capacity
(FY 2024/25: 1.16 GW)

643.11 MW
Operational capacity
(FY 2024/25: 417.11 MW)

56,975 MWh
Renewable electricity stored
(FY 2024/25: 39,290 MWh)

15,142 tCO_2e
Emissions avoided
(FY 2024/25: 11,970 tCO_2e)

[1] Reduced capacity post period due to sales

Social

20%
Female Board representation
(FY 2024/25: 40%)

39%
Female workforce representation[2]
(FY 2024/25: 36%)

0
Material Health & Safety incidents
(FY 2024/25: 0)

[2] Female workforce representation at the Manager

Governance

4-year
partnership with the Fair Cobalt Alliance

SFDR Article 8
product

UN PRI and TCFD
Voluntary signatory

Responsible Investment Policy

Introduction

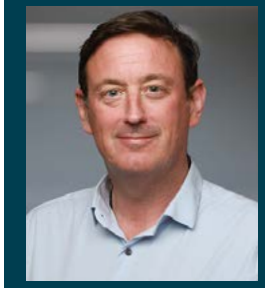
Angus Gordon Lennox
Chair

On behalf of the Board, I am pleased to present Gore Street Energy Storage Fund plc's FY2025/26 ESG & Sustainability Report.

The Board regards sustainability as an important component of its oversight responsibilities and seeks to ensure that ESG considerations are appropriately reflected in the Company's governance and decision-making processes.

During the year, the Company maintained its Article 8 classification under SFDR and continued to promote environmental characteristics through its investments in utility-scale battery energy storage systems. The Board also continued to oversee the Company's approach to ESG reporting, risk management and responsible stewardship on behalf of shareholders.

We believe that strong governance and transparent reporting are fundamental to creating long-term value. The Board remains committed to ensuring that ESG considerations continue to support the Company's strategic objectives and its contribution to the energy transition.



Dr Alex O'Cinneide
CEO of the Manager

As we continue to deliver on the Company's strategy, we are pleased to present our fifth ESG & Sustainability Report, which reflects our continued commitment to responsible investment practices.

The past year marked an important milestone for the Company. During the reporting period, Big Rock in California and Dogfish in Texas became operational, increasing portfolio operational energy capacity to 840.9 MWh.

During the year, the portfolio stored 56,975 MWh of renewable electricity and avoided an estimated 15,142 tCO_2e emissions, increases of approximately 45% and 26.5% respectively compared to the prior year.

We also continued to strengthen ESG integration across asset management through enhanced monitoring and analytics capabilities, supporting improved operational visibility, predictive maintenance and risk management across the portfolio.

As the energy transition accelerates, we remain focused on delivering value for shareholders while supporting cleaner, more reliable electricity systems.

Scan the QR code to watch a short video about Sustainability and the Manager.

Section 1: About Us

About Gore Street Energy Storage Fund

Gore Street Energy Storage Fund plc ("GSF" or "the Company") was launched in 2018 as a listed investment trust dedicated to energy storage. As of 31 March 2026, the Company operates 28 assets[3] across five grids: Great Britain, Ireland, Germany, Texas and California, with 643.11 MW of operational capacity.

Listed on the London Stock Exchange, GSF was London's first internationally diversified energy storage fund and the only one with a portfolio supporting the transition to clean energy across five grids.

The portfolio is invested, managed and optimised by three specialised Gore Street Capital companies (together "GSC" or the "Manager"): Gore Street Investment Management Limited (the "Investment Manager"), Gore Street Services Limited (the "Commercial Manager") and Gore Street Energy Trading Limited.

Our Strategy

The Manager integrates environmental, social and governance considerations throughout the investment lifecycle, from opportunity assessment to construction, operation and ongoing monitoring. This supports the Company's objective of investing in utility-scale energy storage systems while contributing to a more sustainable and resilient energy system.

As the Company's strategy evolves, ESG remains embedded in investment decisions and portfolio management. Under its updated strategy, the Company aims to increase its contribution to the energy transition by adding 350 MWh of incremental capacity through the augmentation of existing assets over the next three years. More information on our strategy can be found in the Annual Report on page 40.

[3] Post period, the Company completed two asset sales, reducing asset count to 26 and total portfolio size to 1.00 GW.

UN PRI

The UN-supported Principles for Responsible Investment (PRI) is a global framework that promotes the integration of ESG factors into investment decision-making, supporting a more sustainable global financial system. As a PRI signatory, the Company incorporates the Principles into its investment processes in line with its Responsible Investment Policy, available on its website. In 2026, the Company submitted its third assessment report.

Green Economy Mark

The Company has been awarded the London Stock Exchange's Green Economy Mark, recognising that it derives more than 50% of its revenues from products and services that contribute to environmental objectives. Of the 95 companies recognised, only 37 have held the distinction continuously since the Mark's inception in 2019 – and GSF is pleased to be one of them.

TCFD

The Task Force on Climate-Related Financial Disclosures (TCFD) provides a globally recognised framework for disclosing climate-related governance, strategy, risk management and metrics and targets, helping investors and other stakeholders better assess an organisation's exposure and response to climate-related risks and opportunities. Although the Company is not subject to the FCA's climate-related reporting requirements (which build on the TCFD), it voluntarily reports in line with the recommendations of the TCFD to promote transparency around governance and consideration of climate-related risks and opportunities as part of its broader investment strategy.

SFDR

The Company qualifies as an Article 8 product under the European Sustainable Finance Disclosure Regulation (SFDR), which is aimed at preventing greenwashing and improving transparency in the market for sustainable investment products. Through its investments in utility-scale energy storage systems, it promotes the following environmental characteristics under Article 8 of the regulation:

- Enabling the integration of renewable energy sources into the power grid;
- Avoiding carbon emissions from the power sector through time-shifting renewable energy from when it is produced to when it is needed and thereby displacing fossil fuel-based electricity.

SDR

In 2024, the FCA introduced the Sustainability Disclosure Requirements (SDR) to improve trust and transparency in the UK market for sustainable investment products.

Under the new regime, GSF has adopted the Sustainability Focus label, which applies to products that invest mainly in assets that focus on sustainability for people or the planet.

Alignment with the UN SDGs

The Company exclusively invests in utility-scale battery energy storage systems. These assets play a crucial role in the green energy transition, as BESS is an important enabler of renewable energy integration. The Company believes that responsible investing practices are important contributors to creating long-term value. As such, the Company supports the following Sustainable Development Goals.

7 AFFORDABLE AND CLEAN ENERGY

The Company's investment policy mandates investment in utility-scale energy storage only. The Company's portfolio of battery energy storage systems facilitates increased renewable penetration into the grid by reducing the inherent volatility associated with intermittent generation, allowing consumers to benefit from cleaner and more affordable energy sources such as wind and solar.

Our contribution:

- 56,975 MWh of renewable electricity stored
- Capability to support greater penetration of renewable generation by reducing renewable energy curtailment and balancing supply and demand on the grid
- 100% of investments aligned with utility-scale battery energy storage

8 DECENT WORK AND ECONOMIC GROWTH

Although the Company has no employees, the Manager has implemented robust health & safety procedures across all of the Company's sites, covering the whole asset lifecycle.

Our contribution:

- Health & safety procedures maintained across assets
- Regular monitoring and reporting of health & safety performance across assets
- No material health & safety incidents reported across assets

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

The Company invests in innovative clean infrastructure to promote a more resilient, sustainable energy system.

Our contribution:

- Continued participation across industry working groups on sustainability, supply chain and safety topics
- Invested in the development of a data collection and management platform to optimise asset management

13 CLIMATE ACTION

By supporting the integration of renewable energy, the Company's portfolio of battery energy storage systems supports efforts to decarbonise the global energy sector, thereby supporting climate change mitigation goals.

Our contribution:

- Emissions avoided equivalent to taking 3,300 cars off the road for a year.
- Renewable electricity stored equivalent to the annual electricity consumption of approximately 23,000 UK households.

Section 2: Environment

Supporting the Transition to Net Zero

Battery Energy Storage Systems (BESS) are an essential enabler of the transition to a low-carbon electricity system. In the IEA's Net Zero Scenario, global energy storage demand is expected to reach approximately 1.5 TW by 2030[4], with approximately 80% of this demand expected to be met by BESS. One consequence of the transition away from thermal generation is that electricity systems become less stable during sudden changes in supply or demand. This increases the need for technologies that can respond quickly to help maintain grid stability.

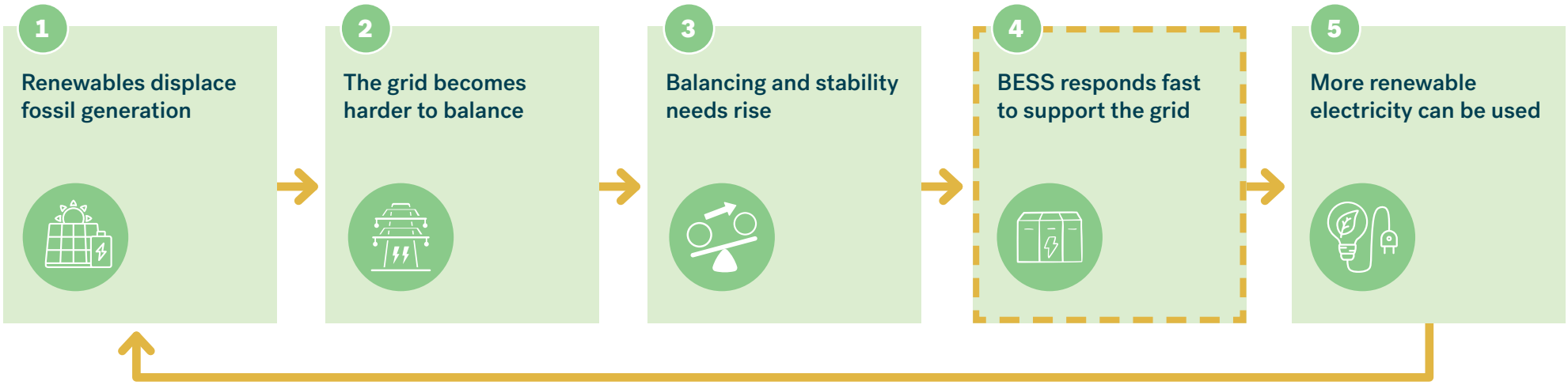
To maintain stability, system operators may otherwise need to curtail renewable generation or rely on thermal generation, increasing emissions and costs to consumers. BESS can help address these challenges by providing a range of grid support services, while facilitating the integration of renewable electricity. Across different markets, revenue streams for BESS can broadly be categorised into i) ancillary services, ii) wholesale trading and iii) capacity markets.

Ancillary services are grid support services that are essential for maintaining the stability, reliability and quality of electricity supply. By providing these services rapidly and efficiently, BESS supports grid stability and reduces reliance on conventional fossil-fuel generation.

Wholesale trading involves charging batteries during peak electricity production when prices are low, often during periods of high renewable generation and discharging electricity when demand rises. In this way, BESS helps balance supply and demand, reduces renewable energy curtailment and provides the flexibility required to support increasing levels of intermittent renewable generation on the grid.

Capacity markets provide payments to batteries in exchange for the battery being available during periods of high demand or system stress. This helps ensure sufficient electricity is available when the grid is under stress and reduces the risk of shortages.

Figure 1: The Role of BESS in the Energy Transition

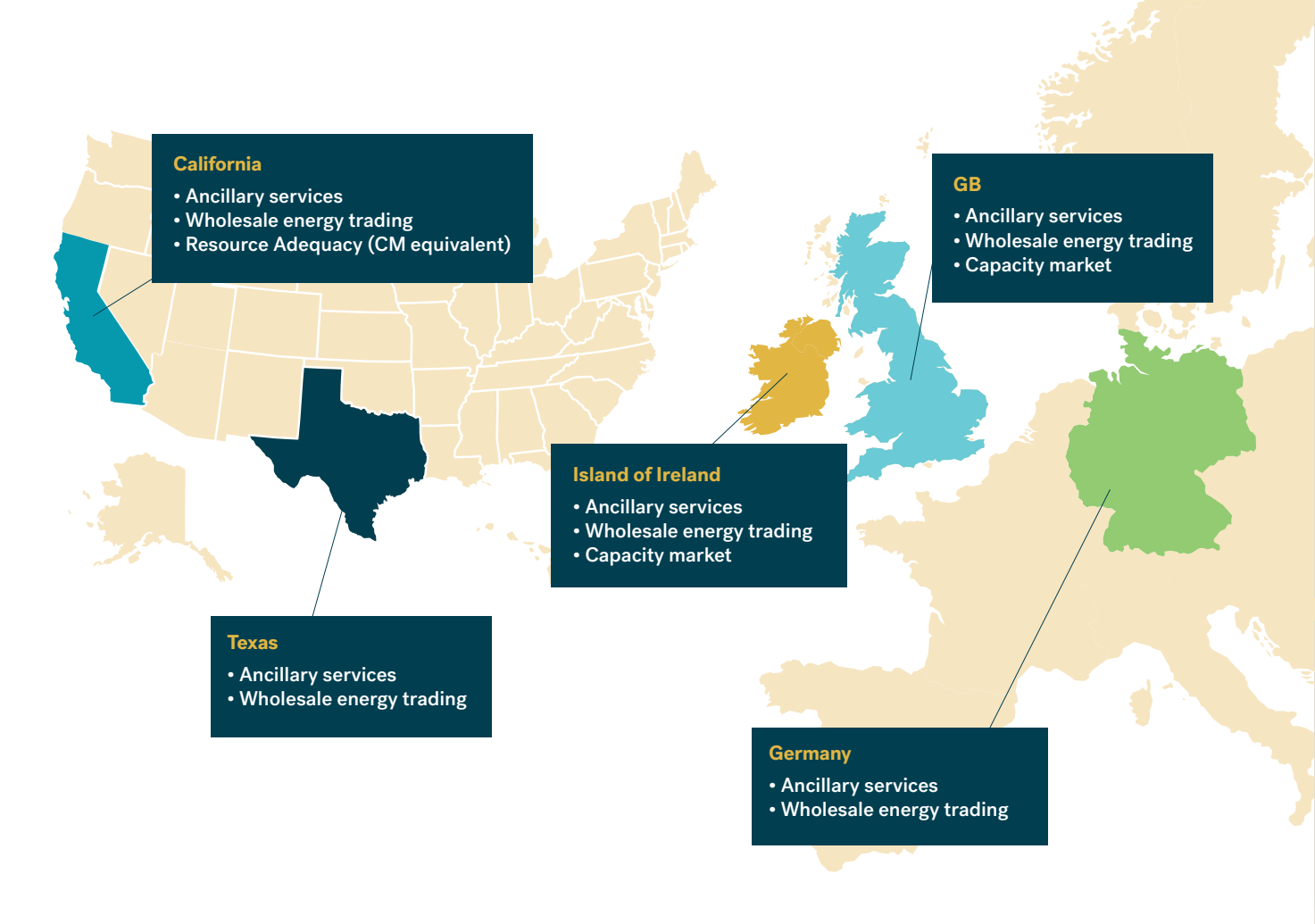


[4] IEA Net Zero Scenario

Supporting the Transition to Net Zero

The Company measures the contribution of its operational assets to the net zero transition through two key metrics: net CO_2 emissions avoided and total renewable electricity stored. During the year, the operational portfolio continued to make a significant contribution to the energy transition, storing enough renewable electricity to power almost 23,000 homes for a year[5] and avoiding emissions equivalent to taking 3,300 cars off the road for a year[6]. The Manager, as a member of the Electricity Storage Network, a UK-based working group made up of owners and operators of BESS, collaborated to determine an industry-wide approach to avoided emissions calculations to improve transparency and comparability of reporting.

Figure 2: Grid Services Available to BESS Across the Different Markets



[5] Ofgem Estimate for Annual Electricity Consumption per Household
[6] EPA.gov estimate that the average passenger vehicle emits 4.6 metric tons of CO2 per year

Case Study: Supporting the Energy Transition in California

During the 2025/26 reporting year, GSF's Big Rock project became fully operational, representing a significant milestone for the Company and its first operational asset within the California Independent System Operator (CAISO) market.

Big Rock is a 200 MW / 400 MWh lithium-ion battery energy storage facility, located in Imperial County, California. The asset supports CAISO, as the system operator, in managing periods of high demand and increasing renewable penetration across the grid.

As California has added substantial solar generation capacity, energy storage has become increasingly important in maintaining grid reliability and reducing dependence on fossil fuels. CAISO's battery fleet now exceeds 16 GW[7] and is increasingly replacing the role of fossil fuel peaking plants in evening peak shifting.

CAISO generation from gas peakers declined by more than 50% year-on-year between January 2025 and January 2026. This was driven by increased battery capacity that absorbed excess solar generation during the day and discharged during the evening demand peak, as well as increased imports of renewable energy from the Pacific Northwest[8].

Figure 3: The Big Rock Site in California

Big Rock contributes to this transition through two key mechanisms:

- Displacing fossil fuel generation through peak-shifting: charging during periods of abundant, low-cost solar generation and discharging during the evening peak, when demand remains high but solar output declines. This reduces reliance on fossil fuel peaking plants and supports grid decarbonisation.
- Increasing renewable energy usage: storing surplus renewable electricity that might otherwise be curtailed due to transmission constraints or oversupply, enabling a greater proportion of California's renewable generation to be delivered to consumers and supporting higher renewable penetration of the grid over time.

In addition to its environmental benefits, Big Rock provides resource adequacy (RA) and ancillary services to the CAISO grid.

- Big Rock has secured a 12-year resource adequacy contract. Through this contract, Big Rock receives payments for being available during periods of system stress, helping ensure the grid has adequate capacity.
- Big Rock additionally provides ancillary services supporting grid stability in CAISO.

Looking ahead, continued battery deployment and the introduction of CAISO's Extended Day-Ahead Market (EDAM) are expected to further reduce renewable curtailment, improve regional power sharing and support California's decarbonisation objectives. Through Big Rock, GSF is helping to deliver the flexible infrastructure required for a more resilient, lower-carbon electrical system.

[7] California Energy Commission
[8] EIA

Section 3: Social

People

Fostering Diversity, Equity and Inclusion

Diversity in the Financial Sector

The Financial Conduct Authority requires all listed companies in the UK to disclose the diversity of boards and executive committees. As an investment trust with no employees or senior management, and a small number of directors, the Company will aim to meet the board diversity targets where possible.

As of March 2026, these targets had not been met: 20% of Directors were women and none were of non-white origin. Following extensive shareholder engagement, the Board accelerated succession planning, with all five previous Directors resigning and five new Directors appointed.

Diversity, Equity and Inclusion (DEI) at the Manager

The Manager, which conducts the day-to-day operations on behalf of the Company, also believes in the importance and value of DEI. In March 2026, women represented over a third of its workforce with the Manager holding ambitious targets relating to the representation of women. The Manager has invested in several initiatives in 2026 to help achieve these targets, such as training and mentoring events and continues to do so. Examples of these initiatives are events with Women in Private Equity, women-specific mentoring through the Association for Black and Minority Ethnic Engineers ("AFBE") and an internal IVF policy.

Diversity extends beyond gender; the Manager employs a wide range of professionals with a wide mix of nationalities, experience and cultures. The Manager's workforce is composed of 16 different nationalities with multiple languages spoken amongst the team.

To ensure that diversity is supported throughout all stages of employment, the Manager has several policies that promote inclusion within the workplace. These include: (i) enhanced maternity and paternity leave and pay; (ii) an IVF policy; (iii) mental health support; and (iv) a range of other policies designed to promote a diverse and inclusive workplace.

Figure 4[9]: Gender Diversity in the Workforce

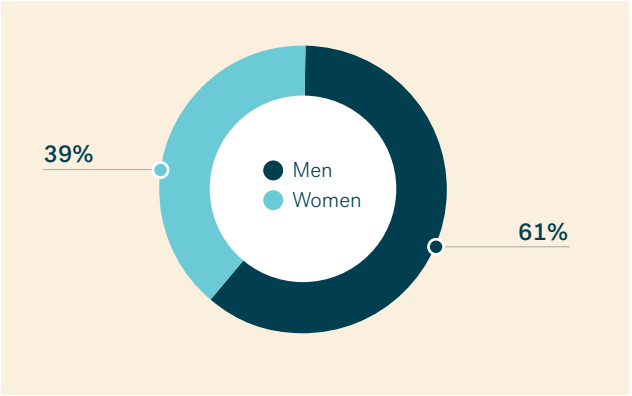
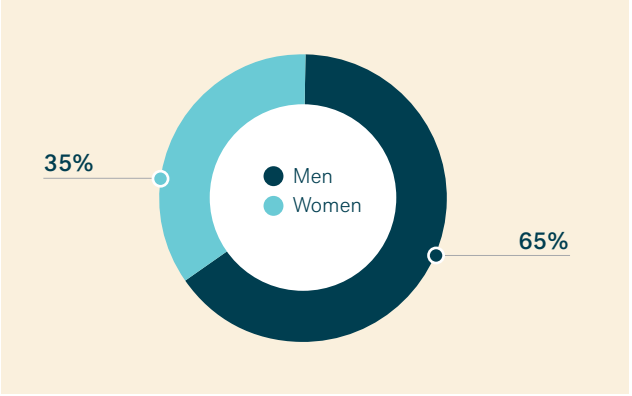


Figure 5[9]: Gender Diversity within Senior Management



[9] Gender Diversity of the Manager

Association for Black and Minority Ethnic Engineers (AFBE)

To support the Manager's approach to DEI, the Manager is a member of the Association for Black and Minority Ethnic Engineers. AFBE is a non-profit focused on promoting diversity and inclusion within the engineering and technology sectors. The Manager understands that a more inclusive and diverse workforce brings a wider range of perspectives and ideas which ultimately help to drive innovation.

During the reporting period, the Manager worked with AFBE on a DEI-focused review of its website content and policies to learn how it can further foster a supportive working environment and continue to improve inclusive recruitment practices.

Striving Towards the Highest Standards of Health & Safety

Safety remains a core priority across the Company's operations. The Manager adopts a 'no compromise' approach to safe practice by implementing, following and continually reviewing health and safety (H&S) standards in accordance with good practice, guidance and industry regulation across the investment lifecycle, from construction to operational assets. The Company is pleased once again to report no notable H&S incidents within the reporting period.

During the reporting period, the Company continued to strengthen operational safety through enhanced monitoring, analytics and data-driven asset management. New in-house monitoring and response tools were tested across select sites, supporting earlier fault detection, predictive maintenance and improved response times to operational issues. These systems help improve asset reliability, support battery health and reduce downtime across the fleet.

The Manager continues to work closely with contractors, service providers and insurers to maintain high standards of safety, resilience and operational performance. Asset management activities include oversight of equipment degradation, repairs and long-term asset health, while ongoing investment in technology supports continuous improvement across the portfolio.

The Company continues to play an active role in advancing H&S standards across the energy storage sector. Through its involvement in industry bodies and working groups, the Manager contributes to the development of good practice, technical standards and operational guidance for battery energy storage systems. Employees of the Manager chair both the Electricity Storage Network's 'Safety, Sustainability and Supply Chain' working group and the Health and Safety Governance Group, the latter in collaboration with the UK Department for Energy Security and Net Zero. The Manager is also continuing to work with the British Standards Institution on the development of improved design and emergency response standards for energy storage projects, supporting the continued evolution of safety practices across the industry.

Technology-Enabled Asset Management

Enhancing Safety and Operational Performance Through Data

During the year, Gore Street Capital partnered with a third party to develop a proprietary in-house asset management platform capable of consolidating operational data from across its battery storage portfolio into a single environment. The platform enables standardised monitoring across multiple sites and markets while giving the asset management team greater control over alerts, alarms and operational workflows.

By combining fleet-wide operational data with automated analytics, the platform supports earlier fault detection, more effective monitoring and faster response to operational issues. It also provides the foundation for predictive maintenance, helping asset managers identify potential problems before they escalate and improving visibility across the portfolio.

The platform has improved operational efficiency by reducing manual processes, increasing consistency of reporting and enabling more actionable insights from asset performance data. The platform provides a scalable foundation for future automation, advanced analytics and AI-enabled asset management capabilities.

Key Outcomes

- Consolidated and standardised operational data across the portfolio.
- Faster alert identification and operational response.
- Improved fleet visibility and reporting efficiency.
- Scalable platform to support future automation and predictive maintenance initiatives.

Supply Chain

Human Rights in the Supply Chain: Fair Cobalt Alliance

The Company's battery assets employ different lithium-ion battery chemistries, including NMC (nickel-manganese-cobalt-oxide). Cobalt is valued for improving battery performance, energy density, safety and lifespan. As the Democratic Republic of the Congo (DRC) supplies the majority of the world's cobalt, responsible sourcing of this material is an important ESG consideration for battery owners and operators.

To contribute to positive social outcomes in the battery value chain, the Company is a member of the Fair Cobalt Alliance. The Alliance is a multi-stakeholder initiative that brings together companies, civil society organisations, supply chain participants and local stakeholders to improve conditions in artisanal and small-scale mining (ASM) communities in the DRC.

Its objective is to promote a more formalised, professional and responsible ASM sector while improving livelihoods and protecting human rights.

The Fair Cobalt Alliance focuses on four core areas of work:

1. Improving health and safety at mine sites;
2. Preventing and remediating child labour;
3. Strengthening the economic resilience of mining communities; and
4. Creating mechanisms that enable industry participants to support continuous site-level improvements.

Through partnerships with local cooperatives, government agencies and community organisations, the Alliance delivers practical interventions designed to improve working conditions, increase access to education, strengthen household incomes and advance responsible sourcing practices.

During the reporting period, the Alliance delivered a range of measurable outcomes. These included 46 health and safety training sessions reaching nearly 5,000 miners, continued support for the Child Rights Action Hub DRC, which has provided remediation support to 95 children since inception, and the expansion of savings and loan groups serving more than 600 community members. Through its Responsible Mineral Credits mechanism, the Alliance also reinvested over US$34,000 into site-level improvements, including protective equipment for women workers, enhanced sanitation infrastructure and improved working facilities at the Kamilombe artisanal mine site. In parallel, it continued to support the formalisation of the ASM sector, working alongside local cooperatives, government authorities and supply chain stakeholders to strengthen responsible mining practices and community development.

One of the 100 safety captains trained by the Fair Cobalt Alliance in 2021 and 2022 – during the weekly toolbox training done to socialise operational health and safety at the mine site.

Communities

Clean Tech Challenge

The Company was established to invest in and develop energy storage infrastructure that is essential to the transition toward a low-carbon energy system. By enabling greater integration of renewable energy sources, such as wind and solar, BESS supports the decarbonisation of the grid and the reduction of reliance on fossil fuels. Recognising the important role that innovation plays, the Manager is committed to supporting the development of new technologies and solutions that address environmental challenges.

As part of this commitment, GSC has proudly sponsored the London Business School Clean Tech Challenge for a fourth consecutive year. The competition supports students in transforming innovative clean technology ideas into commercially viable solutions with the potential to deliver meaningful environmental impact.

In addition to providing financial sponsorship for the GO RE-Think CleanTech Award, GSC provided mentorship to participants throughout the competition and representatives of the firm served on the judging panel for the final presentations.

The 2026 winner of the GSC GO RE-Think CleanTech Award was ASAICHI, a company developing a sustainable alternative to traditional floral foam. Traditional floral foam is a widely used but environmentally harmful material in the floristry industry. The winner's solution enables the reduction of plastic waste and microplastic pollution through a practical, scalable approach that continues to meet the functional needs of florists.

Yorkshire Wildlife Trust

The Company seeks to make a positive contribution to the communities and environments in which it operates. As part of this approach, the Company supported Yorkshire Wildlife Trust's Yorkshire Peat Partnership, a collaborative programme that restores degraded peatlands across the Yorkshire Dales, North York Moors and Nidderdale landscapes. Healthy peatlands provide a range of environmental benefits, including carbon storage, improved water quality, flood mitigation and enhanced biodiversity.

Through GSF's donation, 13.3 hectares of peatland have been restored, delivering an estimated 2,155 tCO_2e of avoided emissions over a 50-year period. The project also supports the long-term health and resilience of local ecosystems, helping to preserve these important natural landscapes for future generations.

Section 4: Governance

Task Force on Climate-Related Financial Disclosures (TCFD)

Executive Summary

The Company, Gore Street Energy Storage Fund (GSF), does not fall within the scope of the UK Financial Conduct Authority (FCA)'s climate-related reporting requirements but has chosen to voluntarily report in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to promote transparency around governance and consideration of climate-related risks and opportunities as part of the broader investment strategy.

The following chapters provide information on the Company's governance, monitoring and management of climate-related risks during the FY2025/26 financial year.

The report comprises the four pillars of the TCFD framework:

Governance

This section provides information on the Company's oversight of climate-related risks and opportunities.

Strategy

This section details actual and potential impacts of material climate-related risks and opportunities on the Company's business, strategy and financial planning.

For the Company's portfolio, environmental conditions are considered throughout asset development and operation to support an effective low-carbon transition.

Risk Management

This section details how the Company identifies, assesses and manages climate-related risks (and opportunities).

Metrics and Targets

This section details measures used to assess and manage material climate-related risks and opportunities.

Pillar 1: Governance

Board Oversight

The Board, comprising five Directors, oversees the Company's business, strategy and investment activities in line with the Articles, the Companies Act and the Responsible Investment Policy, including consideration of climate-related risks and opportunities.

Figure 6: Board Oversight

The Audit Committee has delegated authority from the Board and is responsible for monitoring the integrity of financial reporting, quality and effectiveness of external audit, risk management and the system of internal control. This has included reviewing the Company's ESG disclosures, such as the SFDR Annex IV in the annual report, and receiving a methodological report. The relevant SFDR metrics in this context are the total greenhouse gas emissions of the Company, as well as the avoided emissions. The Audit Committee also requires material service providers to share their ESG policy and carbon footprint (including greenhouse gas and energy usage reporting). Over the last reporting period, the Board oversaw the implementation of the Company's disclosure requirements under Article 8 of SFDR, and the newly introduced UK-based sustainability disclosure requirements (SDR). In conjunction with the continued reporting against several voluntary frameworks to guide its sustainability strategy, including the TCFD and UN PRI.

The Management Engagement Committee is responsible for the monitoring and oversight of the Investment Manager's performance, and confirming the Investment Manager's ongoing suitability, as well as reviewing and assessing the Company's other service providers. In a typical year, the committee would review ESG providers, however given the recent appointment of the current advisors and other reports from the ESG function, this was not required for the reporting period. All Directors are members of the committee. The Marketing and Communications Committee is a newly formed Committee consisting of all Directors. The Marketing and Communications Committee is responsible for overseeing the development of the marketing and communications strategy and monitoring its implementation.

The Remuneration and Nomination Committee, which includes all Directors, is responsible for induction of Directors and their assessment during their tenure.

The Investment Manager, Gore Street Investment Management (GSIM), provides the Company with investment management and risk management services. Through the Investment Manager, the Board has established a framework to identify and manage the Company's principal risks and opportunities, including those relating to climate change and the climate transition. The Investment Manager reports to the Board on a quarterly basis, ensuring that the Directors are kept updated on progress of investments and climate-related matters with potential to impact the Company's strategy or financial performance. The Board approved an addendum to the key contracts agreement, to continuously monitor the Investment Manager's alignment with the Company's Responsible Investment Policy.

Early in the reporting period, the Board underwent training on climate-related issues which could affect the Company. Following the appointment of five new Directors after the training was conducted, the new Board will undergo similar training on climate-related matters.

Management's Role in Assessing and Managing Climate-Related Risks and Opportunities

The **Investment Committee** oversees the financial, legal and technical diligence of proposed investments, ensuring alignment with the investment policy and consideration of climate-related and ESG factors that could affect financial performance. The Committee comprises four members with renewable energy expertise and receives regular project reporting.

The Manager's **ESG function** works closely with the investment, construction, asset management and commercial teams to implement the Company's sustainability strategy. Climate-related considerations are integrated throughout the investment lifecycle in line with the Responsible Investment Policy. A physical risk assessment has also been conducted for the ten assets most exposed to hazards, helping to strengthen future investment and development decisions.

The Manager is responsible for ensuring the Company's assets are optimally managed and available to provide grid services that support the integration of renewable energy. This is a core element of the Company's sustainability strategy and contribution to the low-carbon transition.

The Manager further contributes to industry working groups to improve ESG management processes across topics such as fire safety and emissions accounting.

Pillar 2: Strategy

Risks & Opportunities

The Company recognises the role it plays in grid decarbonisation and has, therefore, adopted the recommendations of the TCFD to effectively identify and manage its risk exposure and explore climate-related opportunities and their impact on the business and investments.

Climate-related risks and opportunities can be classified as i) transitional and ii) physical:

- **Transition risks and opportunities** arise from the shift to a low-carbon economy and can be influenced by evolving policies, legal frameworks, technological advancements, market responses and reputational considerations.
- **Physical risks** encompass the impact of acute climate-driven events, such as extreme weather, alongside chronic long-term shifts in temperatures, precipitation patterns and variability in weather patterns.

A shortlist of risks and opportunities is described on the next page.

Transition Risks and Management Responses

Table 1: Transition Risks and Management Responses

Type	Transition Risks	Potential Impact	Management Response	Financial Impact
Market	**Volatility in commodity pricing:** Commodity price fluctuations (e.g. lithium) could increase capital and operational costs.	Volatility in the cost of raw materials, such as lithium or cobalt, could lead to increased capital and operational costs.	Projected revenue curves used in investment analysis already factor in potential commodity price fluctuations. The Company is ultimately technology agnostic and continues to monitor emergent technologies which would be less sensitive to critical minerals.	Capital cost, as this would lead to increased battery pack pricing by a potential supplier. This could also increase repowering costs (i.e. replacing battery cells), affecting opex.
	Renewables slowdown: A slowdown in renewable energy deployment could reduce the demand for battery energy storage services.	A slowdown in renewable energy deployment due to political and economic uncertainty poses a moderate risk, potentially reducing battery storage demand. This risk could grow if incentives for wind and solar decline or policies shift towards nuclear energy, impacting the sector's growth and profitability.	The Manager continuously monitors the policy landscape and renewable penetration trends for countries of operation, which helps manage risk exposure. The Company's diversified portfolio across five markets mitigates the risk associated with a slowdown in renewable energy deployment in any one market. The Company's investment policy is open to all OECD markets, affording some protection from potential policy and market shifts that could impede renewables growth. The Manager engages with policymakers and regulators through its membership in trade associations (such as Electricity Storage Network and Energy Storage Ireland).	Revenue could be impacted, as the demand for grid balancing services would decrease, leading to market saturation. The remuneration for an asset has the potential to decrease.
Reputation	**Stakeholder expectations:** The growing focus of stakeholders on ESG-related issues can increase near-term operational costs to meet expectations regarding ESG performance and disclosure.	Battery supply chains face risks from geopolitical tensions, ethical labour concerns and environmental impacts, complicating supply chain operations and increasing costs. Investor demands for climate transparency and anti-greenwashing regulations further drive reporting obligations and expenses.	The Manager has a dedicated ESG function working with internal and external stakeholders, including ESG advisers, to monitor and mitigate potential ESG risks. External ESG advisers help interpret and progress ESG disclosure requirements, reducing the risk of non-compliance and enhancing disclosure quality. The Company reports against a number of mandatory and voluntary frameworks, including SFDR, TCFD, SDR and UN PRI, to meet the growing demand for transparency and ESG disclosures from investors.	P&L cost; as stakeholder expectations grow, further and more detailed ESG requirements and disclosures could lead to higher costs.
Reputation	**Reputational damage:** Businesses could face reputational damage from negative environmental and social value chain impacts.	The energy storage sector faces increasing scrutiny over its environmental and social practices, exacerbated by a lack of transparency in the supply chain and uncertainties surrounding end-of-life battery disposal. As the Company has limited direct oversight over the supply chain activities and end-of-life treatment processes, it faces heightened reputational risks associated with ESG issues. This highlights the importance of improving supply chain transparency and traceability to promote responsible and sustainable practices across the whole battery value chain.	The Company has several processes to identify and mitigate supply chain risks: i) Supplier Know Your Client (KYC) checks, ii) Contractual requirements for partners to comply with all applicable regulations; and iii) the Company's Code of Conduct. Data is collected from EPC, asset management (AM) and operations & maintenance (O&M) suppliers on an annual basis as part of the Company's SFDR reporting.	P&L cost from potential litigation.
Policy and Legal	**Policy uncertainty:** Political changes and discrepancies between stated climate policy and actual transition pathways can result in uncertainty regarding clean energy incentives and revenue projections.	The disconnect between net zero ambitions and the necessary policies to incentivise the market poses a challenge when projecting revenue for third-party providers.	The Company's investment policy is open to exploration of all OECD markets, mitigating the risk of uncertainty in any one market. **Merchant revenue forecasts:** The investment analysis accounts for stated policy climate scenarios in its revenue projections for certain commodities. Additionally, the Manager monitors policy and market developments in existing and potential markets to track policy-related risks, partly through trade associations, policymakers and regulators.	Revenue; a variable market landscape with respect to connections reform and renewable energy penetration could lead to a changing landscape of revenue streams for the Company.

Physical Risks and Management Responses

Table 2: Physical Risks and Management Responses

Type	Physical Risks	Potential Impact	Management Response	Financial Impact
Acute	**Acute physical hazards:** The occurrence of heatwaves, wildfires, storms or floods could result in potential damage to project infrastructure, disruption to supply and business operations and increased insurance costs.	Energy infrastructure such as battery energy storage systems is vulnerable to extreme weather events, potentially leading to downtime and revenue loss. As extreme weather events such as heatwaves and floods become more frequent and severe, they could threaten operational assets and potentially increase insurance costs and overall risk exposure for the Company's investments.	Pre-investment in a particular region, the Manager considers relevant climate-related factors, including risks from physical hazards. When designing new assets, technical specifications are evaluated with consideration of expected local climate conditions. Where specific risks have been identified, the Manager's technical teams incorporate adaptive measures into the asset design to increase resilience.	P&L cost; these can be attributed to replacement/ repair costs for infrastructure, as well as insurance claims and potential delays to on-site maintenance.
Chronic	**Chronic physical hazards:** Extreme temperatures could exceed asset design parameters, potentially leading to disruption to services and reduced asset performance.	Long-term temperature changes, particularly under higher warming scenarios, increase the likelihood of extreme temperatures exceeding asset design parameters, posing a potential risk to the performance and reliability of the energy storage systems. This risk not only affects the operational efficiency of energy storage projects but also requires additional measures for asset maintenance and resilience, thereby potentially increasing operational costs.	Pre-investment in a particular region, the Manager considers relevant climate-related factors, including risks from physical hazards. During the design phase, the Manager's technical team evaluates specifications with consideration of expected climatic conditions. For example, ambient temperature ranges over the design life are considered in HVAC, cable and transformer design requirements.	P&L cost; these can be attributed to replacement costs for infrastructure, as well as insurance claims and potential delays to on-site maintenance.

Opportunities and Management Responses

Table 3: Opportunities and Management Responses

Type	Opportunity	Potential Impact	Management Response	Financial Impact
Markets (technology)	**Technology:** Increased investment in clean technology could lead to new low-carbon/climate-resilient energy storage technologies becoming available.	The need to transition to a low-carbon economy has spurred on R&D and investment in new energy storage technologies that could offer benefits such as reduced reliance on critical minerals, reduced carbon footprints or improved efficiency.	The Company's investment policy is technology agnostic and would consider new technologies with an appropriate risk/reward profile. The Manager maintains relationships with suppliers of existing and emerging technology, putting it in a good position to adopt new and improved technology.	Revenue; this could be attributed to a greater demand for BESS to match renewable growth as the demand for grid balancing services and peak shifting grows.
Markets (policy)	**Alignment with transition policy:** Ambitious climate and energy policy can encourage the uptake of clean energy generation.	Increased renewables rollout, in turn, increases the demand for energy storage assets, creating favourable market conditions for the Company with potential for increased revenue.	The growth rate of current and potential future renewables penetration is a key input into the Company's investment analysis to ensure market alignment with energy storage demand. Energy transition policy incentives and climate-related policy are considered in the Company's analysis of revenue curve projections.	Revenue; this could be attributed to a greater demand for BESS to match renewable growth as the demand for grid balancing services and peak shifting grows.
Markets	**Cost of carbon:** Carbon price growth increases the generation price of electricity, incentivising the substitution of fossil fuels with clean energy alternatives.	The increasing global prevalence and costs of carbon pricing mechanisms such as carbon taxes or cap-and-trade schemes provide an incentive for the transition to clean energy alternatives as electricity generation from fossil fuels becomes more expensive. In turn, this can drive demand for energy storage solutions to facilitate the integration of intermittent renewables into the grid and reduce reliance on fossil fuels.	The Company's investment policy is to operate in OECD countries where the wholesale energy price is often influenced by the carbon price, thereby driving demand for clean renewable energy and storage solutions.	Revenue; this could be attributed to higher electricity prices, resulting in an improved revenue profile by integrating the environmental benefit of BESS (reduced curtailment and improved renewable energy integration).
Products and Services	**Access to capital:** Battery energy storage supports the clean energy transition and is an attractive asset class for green financing.	The energy storage sector is poised for significant growth as it plays a crucial role in facilitating the transition to renewable energy sources. As demand for clean energy solutions rises, energy storage funds stand to benefit from heightened investor interest.	As a Company exclusively investing in utility-scale energy storage systems, the Company is inherently aligned with the clean energy transition and has the potential to attract capital from investors looking to invest in these technologies.	Revenue upside; this could be attributed to the build-out of pre-construction assets (458.05 MW), increasing the proportion of the portfolio which is revenue-generating.
Resilience	**Acute and chronic physical hazards:** Increased volatility of climatic conditions (including heat, wind and solar) can lead to more frequent demand peaks for energy storage.	Increased volatility of climatic conditions presents an opportunity for the Company as more frequent demand peaks for energy storage are expected due to severe weather events like heatwaves, windstorms and fluctuating solar output. The volatility in renewable energy production, thermal loads and electricity prices can enhance revenue if the Company effectively captures and manages these peaks.	The Company holds assets in regions that already experience extreme climate conditions, including Texas, where winter storms and summer heatwaves have exposed vulnerabilities in the state's power grid.	Revenue; attributed to increased need for grids to manage renewable energy volatility.

Physical Climate Risk Assessment

The Company conducted a physical climate risk assessment across its investments in the US, GB, Ireland and Germany. Ten assets were identified as both the most exposed to climate-related hazards and broadly representative of the portfolio. A summary of this assessment is available in the Company's 2024 TCFD report.

To assess potential physical climate impacts on these assets, the Company conducted climate scenario analysis using three scenarios over 5-, 15- and 30-year time horizons, consistent with TCFD recommendations. The 30-year horizon was considered the most representative of potential risks as it most closely reflects asset lifespan. Further details on the thresholds for the relevant climate risks are available on request.

Figure 7: Climate Change Scenarios Based on IPCC Shared Socioeconomic Pathways

1	Scenario name	Strong Mitigation	• This scenario represents the optimal sustainable path. It encompasses socioeconomic and representative emissions pathways consistent with a gradual and pervasive global shift towards a more sustainable future. • Global mean temperatures will rise by approx. 1.8°C by 2100, in line with the target of the Paris Agreement on climate change.
	Warming trajectory	1.8°C by 2100	
	Underpinning scenario data	SSP1-RCP2.6	
2	Scenario name	Middle of the Road	• This scenario represents a middle path with challenges to climate change mitigation. Overall emissions continue to rise through mid-century before beginning to decline. • Global mean temperatures will rise by approx. 2.4°C by 2100.
	Warming trajectory	2.4°C by 2100	
	Underpinning scenario data	SSP2-RCP4.5	
3	Scenario name	High Emissions	• This scenario represents a future where the world continues its current trajectory. Global markets are increasingly integrated and total population and per capita consumption have increased. • Global mean temperatures will rise by approx. 4.3°C by 2100.
	Warming trajectory	4.3°C by 2100	
	Underpinning scenario data	SSP5-RCP8.5	

Hazard Findings

From the climate hazards assessed, several of the Company's assets demonstrated exposure to wildfires, heatwaves and water stress. From the analysis, water stress was identified to present the greatest exposure to the Company's assets; however, this exposure is not expected to have a material impact on operations due to negligible levels of water consumed on-site. On average, exposure to sea-level rise, flooding and tropical storms was low across the three different scenarios.

Impact: Heatwaves

High temperatures and heatwaves can accelerate battery degradation and reduce the lifespan of energy storage assets. To mitigate this risk, the Company's assets are designed to operate under local environmental conditions, including climate change impacts and expected temperature extremes. Across the portfolio, assets are designed to operate within temperatures ranging from -20°C to 40°C, with appropriate tolerances where required. The Manager's asset management team continuously monitors asset performance and acts as needed to address climate-related risks.

Table 4: Climate Change Impacts by Geography Based on Climate Change Scenarios (30-year scenario)

Hazard	Scenario	United States	Great Britain	Ireland	Germany
Water stress	Strong Mitigation	High	Low	Medium	Medium
	Middle of the Road	High	Low	Medium	Medium
	High Emissions	High	Medium	High	Medium
Heatwaves	Strong Mitigation	Medium	Low	Low	Low
	Middle of the Road	Medium	Low	Low	Low
	High Emissions	High	Medium	Medium	Medium
Wildfire	Strong Mitigation	Medium	Low	Low	Low
	Middle of the Road	Medium	Low	Low	Low
	High Emissions	Medium	Low	Low	Low
Sea-level rise	Strong Mitigation	Low	Low	Low	Low
	Middle of the Road	Low	Low	Low	Low
	High Emissions	Low	Low	Low	Low
Flooding	Strong Mitigation	Low	Low	Low	Low
	Middle of the Road	Low	Low	Low	Low
	High Emissions	Low	Low	Low	Low
Tropical storms	Strong Mitigation	Low	Low	Low	Low
	Middle of the Road	Low	Low	Low	Low
	High Emissions	Low	Low	Low	Low

Climate Resilience

Despite posing some risks, the climate transition is likely to create opportunities for the Company. BESS provides critical grid services, such as balancing supply and demand, which is becoming increasingly important as renewable generation grows.

By managing physical climate risks throughout the asset lifecycle, the Company is well positioned to remain resilient while capitalising on transition-related opportunities. Climate-related considerations, including policy developments and market conditions, are incorporated into investment decisions and the Company will continue to review their relevance as risks and opportunities evolve. The Company acknowledges that further work is needed to prioritise risks and better understand how opportunities can be realised and considers this to be the next stage in its TCFD-alignment journey.

Pillar 3: Risk Management

Processes for Identifying and Assessing Risks and Opportunities

The Company's risk management approach has continued to evolve since its first year of reporting to provide a more comprehensive framework for identifying and mitigating risks. A gap analysis was conducted, combining insights from internal experts and external consultants to identify the most material risks and opportunities across the Company's operations. The methodology used to identify, prioritise and assess these risks and opportunities, as well as the effectiveness of existing and planned risk management measures, is outlined below.

Figure 8: Risk Management Strategy

Specific risk management responses in place are described for each risk and opportunity in Tables 1-3.

Processes for Managing Risks and Opportunities

The Board has overall responsibility for the Company's risk management and internal control framework, including the management of climate-related risks and opportunities at the principal risk level. Through the Manager, it has established policies and processes to manage and mitigate risks, which are monitored by the Audit Committee. These are implemented across the investment, construction, commercial and asset management teams. The ESG function reports quarterly to the Board on climate-related matters and the implementation of the Responsible Investment Policy.

Climate-related risks are considered throughout the investment lifecycle. Due diligence on new investments includes assessments such as flood risk and supplier reviews to identify and manage potential risks before investment and construction. Asset design incorporates climate resilience measures, including, for example, temperature tolerances or flood mitigation features. Once operational, assets are actively monitored by the asset management team to manage physical climate risks.

Risk Management Integration

Transition and physical climate risks are integrated into the Company's principal risk register as a standalone risk. However, owing to the nature of the Company's business and exposure to the climate transition, climate-related risk drivers are also reflected in other principal risks including:

- Exposure to lithium-ion batteries, battery manufacturers and technology changes (transitional technology driver);
- Delays in grid energisation or commissioning (transitional market driver).

Pillar 4: Metrics and Targets

The Company uses several metrics to assess and monitor climate-related risks and opportunities. As an Article 8 product under SFDR, the Company has identified a set of principal adverse impacts (PAIs) which it uses to assess its ESG performance, including exposure to climate-related risks and opportunities. A full list of PAIs with a description of the methodology used to calculate them can be found in the SFDR section of this ESG Report.

Metrics Used to Assess Climate Risks and Opportunities

The Company recognises the importance of using metrics aligned to its key climate-related risks and opportunities to track their development over time and assess the effectiveness of management responses. Existing metrics are largely aligned with the SFDR PAIs reported by the Company.

The following table below sets out the Company's alignment with the TCFD-recommended cross-industry metrics and associated risks and opportunities.

Table 5: Metrics Used to Assess Climate Risks and Opportunities

TCFD Metric Category	Metrics	Rationale for Inclusion
GHG Emissions: Absolute Scope 1, 2 & 3 emissions intensity.	Scope 1, 2 & 3 emissions (tCO_2e)*. Weighted average carbon intensity (tCO_2e/£M)*.	The Company has been reporting GHG emissions since 2021/22. Tracking emissions helps to monitor the Company's exposure to reputational and policy risks.
Transition Risks: Amount and extent of assets or business activities vulnerable to transition risks.	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 GWh/£M. 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*.	The Company is exposed to market and policy changes in addition to reputational impacts under the climate transition. Monitoring exposure to human rights issues and fossil fuel companies supports the management of reputational risks, while the measurement of non-renewable energy consumption & production and energy consumption intensity supports the management of policy and legal risks.
Physical Risks: Amount and extent of assets or business activities vulnerable to physical risks.	The Company is investigating an appropriate metric to track progress for this category. Based on the physical risk assessment referred to in earlier sections, where assets are exposed to physical risks, these either pose limited potential for material impacts (water stress) or are appropriately managed (heatwaves).	In 2021/22, the Company conducted a physical climate risk assessment for the portfolio, which was updated in 2023 to include the Big Rock asset in California.
Climate-related Opportunities: Proportion of revenue, assets, or other business activities aligned with climate-related opportunities.	Net CO_2 emissions avoided*. Total renewable electricity stored*. Wholesale gas prices. Renewable penetration in OECD countries.	The Company was launched in May 2018 to deliver sustainable returns to investors while supporting the energy transition through the deployment of energy storage systems. This technology is a key lever in the decarbonisation of global grid systems by facilitating the integration of variable renewable energy generation. To measure the size of the opportunity from its products and services, the Company has chosen to measure and disclose the amount of renewable electricity it stores and the avoided emissions. The Manager continues to collaborate with industry participants to improve avoided emissions methodologies over time. Additional metrics such as wholesale gas prices and renewable penetration are tracked internally as part of the commercial forecasting and investment strategy and are used to determine when and how the Company should seek to capitalise on its opportunities.
Capital Deployment: Amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Value of investments.	In monitoring the value of new investments and the total of new projects receiving investment, the Company has direct oversight of the amount of investment deployed towards climate-related opportunities.

* PAIs – details of the methodology and yearly changes to these metrics can be found on pages 30-31 as well as the Annual Report and Financial Statement FY2025/26.

Development Targets

The Company will continue to develop its voluntary climate-related financial disclosures and the underlying analysis required to assess potential impacts and integrate climate considerations into business and financial planning.

In 2024, the Company's ESG advisers undertook a readiness review against the TCFD guidance and IFRS S2 requirements, which has informed the following selection of targeted development areas for the coming years.

Table 6: Development Targets per TCFD Pillar

TCFD Pillar	Climate-Related Disclosure Development Targets
Governance	Assess the skills and competencies of the Board relating to climate issues affecting the Company and conduct Board training, if needed, to ensure that there is a solid understanding of material issues impacting the Company.
Strategy	Assess the potential financial impact from risks and opportunities across forward-looking climate scenarios and time horizons, building on existing future revenue projection and asset specification methodologies. Develop a strategy for engagement activities with suppliers and peers that is aligned with broader strategic ambitions.
Risk Management	Further integrate consideration of climate-related risks (and opportunities) into risk management processes and business planning discussions with a clear process for both pre-investment and operational phases. Formalise climate considerations into the Company's internal processes, including the risk management policy and control mechanisms for managing climate impacts.
Metrics & Targets	Explore additional KPIs that can be used to track risks and opportunities and seek to set targets related to these. Continue to develop the avoided emissions calculation methodology to quantify the benefit of ancillary services.

Sustainable Finance Disclosure Regulation (SFDR)

The Company qualifies as an Article 8 product under the European Sustainable Finance Disclosure Regulation (SFDR), which is aimed at preventing greenwashing and improving transparency in the market for sustainable investment products.

It promotes the following environmental characteristics under Article 8 of the regulation:

- enabling the integration of renewable energy sources into the power grid.
- avoiding carbon emissions from the power sector through time-shifting renewable energy from when it is produced to when it is needed and thereby displacing fossil fuel-based electricity.

The Company's pre-contractual disclosures and website disclosures are available on its website under Sustainability-Related Disclosures and Shareholder Literature.

The table on the next page summarises the Company's performance in the 2025/26 financial year, as reported against the environmental characteristics and principal adverse impacts (PAI). The Company's full periodic report under Article 11 of SFDR can be found in its Annual Report and Financial Statement 2025/26.

Table 7: PAI Disclosures for Operational and Construction Assets for the Period from 1 April 2025 to 31 March 2026

Topic	#	Indicators	Units	FY2025/26	FY2024/25
Due diligence on principal adverse impacts (PAI)					
Climate and other environment-related indicators					
Greenhouse gas emissions	1	Total greenhouse gas (GHG) emissions (Scope 1-3)	tCO_2e	49,226	50,495
	2	Carbon footprint	tCO_2e / £M	141	102
	3	GHG intensity of investee companies[10]	tCO_2e / £M	1,834	431
	4	Exposure to companies active in the fossil fuel sector	N/A	No exposure	No exposure
	5	Share of non-renewable energy consumption and production	%	44	33
	6	Energy consumption intensity per high-impact climate sector	GWh / £M	1.65	0.30
Biodiversity	7	Activities negatively affecting biodiversity-sensitive areas	N/A	None identified	None identified
Emissions to water	8	Emissions to water	t / £M	0	0
Waste	9	Hazardous waste ratio	t / £M	0.007	0.005
Social and employee matters					
UNGC principles or OECD Guidelines for Multinational Enterprises	10	Violations of principles/guidelines	%	None identified	None identified
	11	Lack of processes and mechanisms to monitor compliance	%	No formal process or mechanism (100)	No formal process or mechanism (100)
Gender equality	12	Unadjusted gender pay gap	%	N/A	N/A
Gender diversity	13	Board gender diversity (weighted average of male and female board members at investee company level)	Weighted average ratio of female to male board members at investee company level, as % of all board members	12	23
Controversial weapons	14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	%	0	0
Additional sustainability disclosures					
Air emissions	15	Emissions of air pollutants	t / £M	None reported	None reported
Additional water and waste and material emissions	16	Water usage and recycling	m^3 / £M	0.004	0.003
	17	Non-recycled waste ratio	t / £M	0.03	0.85
Human rights	18	Operations and suppliers at significant risk of incidents of child labour	%	0	0
	19	Operations and suppliers at significant risk of incidents of forced or compulsory labour	%	0	0
	20	Number of identified cases of severe human rights issues and incidents	Number	None identified	None identified
Environmental characteristics	21	Net CO_2 emissions avoided	tCO_2e	15,142	11,970
	22	Total renewable electricity stored	MWh	56,975	39,290

[10] The SFDR-prescribed formula for GHG intensity of investee companies is weighted according to revenue generation; therefore in-construction assets are not included in this figure.

Data Gathering

Scope: The assessment covered all operational and under-construction assets held by the Company's investee companies during the 2025/26 financial year. As construction processes for key assets came to a close during the reporting period, construction-phase emissions and impacts were substantially reduced relative to previous years. The assessment did not include the Company's assets which were in the pre-construction phase that did not record any operational or commercial activity.

Process: The ESG team collected a variety of data from the Company's external suppliers – EPC, O&M and AM providers[11] – as well as internal sources.

Discussion of the Results

During FY2025/26, the Company continued to report against its environmental characteristics and Principal Adverse Impact ("PAI") indicators using a methodology consistent with the previous reporting period. Maintaining methodological consistency supports year-on-year comparisons and enables the Company to assess trends across its portfolio over time.

Several operational developments influenced the Company's sustainability performance during the reporting period. Most notably, Big Rock and Dogfish became fully operational. As two of the Company's largest battery energy storage assets, these projects materially increased portfolio activity and contributed significantly to key sustainability metrics, including renewable electricity stored, avoided emissions and energy throughput.

Operational performance across a number of UK assets was lower than in previous years due to evolving market conditions. New State of Energy reserve requirements, changes affecting ancillary service markets and the natural degradation of battery systems reduced cycling activity and revenue-generating opportunities across parts of the GB portfolio.

Total greenhouse gas emissions decreased by 2.5% year-on-year to 49,226 tCO_2e. While overall operational activity increased, the decrease was principally driven by the reduction in construction activity during the reporting period, as construction at Big Rock and Dogfish was completed during the year. Construction activities are typically the largest contributor to embodied carbon emissions within battery storage portfolios and therefore significantly influence Scope 3 emissions.

Several PAI outcomes changed compared with the previous reporting period. In most cases, these changes were attributable to portfolio maturity, increased operational activity and changes in asset composition rather than any deterioration in environmental or social performance. Board gender diversity decreased during the year as a consequence of a new Board being appointed during the reporting year.

Greenhouse Gas Emissions

There are three categories of greenhouse gas (GHG) emissions under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard: Scope 1, 2 and 3. The Company defines its organisational boundaries using the equity share approach as per the GHG Protocol Corporate Standard, whereby a company accounts for GHG emissions from operations according to its share of equity in the operation.

Table 8: Total Greenhouse Gas Emissions for FY2025/26 and FY2024/25

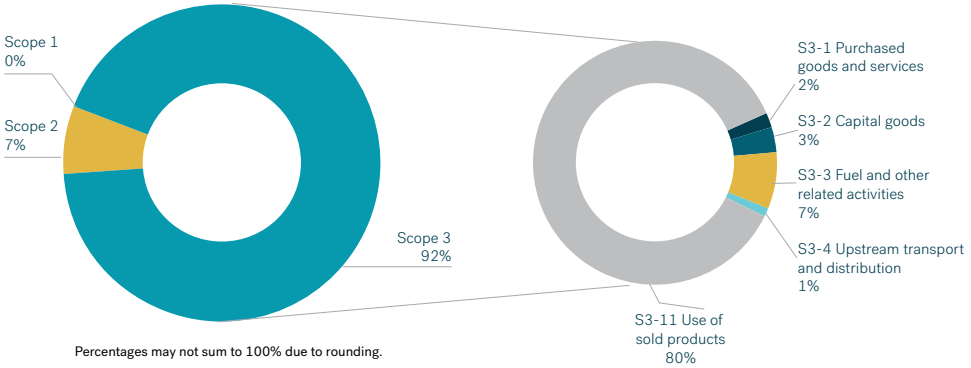
GHG Emissions	FY2025/26	FY2024/25
Scope 1 (tCO_2e)	164	0
Scope 2 – Location-based (tCO_2e)	3,581	2,636
Scope 3 (tCO_2e)	45,481	47,859
Total (tCO_2e)	**49,226**	**50,495**

- **Scope 1** emissions were 164 tCO_2e during FY2025/26. Potential sources of Scope 1 emissions include fugitive refrigerant emissions, fire suppression systems and on-site generators using diesel or other fuel. No refrigerant leaks or fire suppression releases were reported during the reporting period. However, temporary diesel generators were used at the Big Rock asset.
- **Scope 2** emissions for the Company are the emissions produced following the asset's consumption of electricity in operation and totalled 3,581 tCO_2e. Battery asset metering data and regional grid intensity records were used to determine total Scope 2 emissions of the portfolio.
- **Scope 3** emissions totalled 45,481 tCO_2e and accounted for approximately 92% of the recorded emissions during the reporting period. These can be attributed to:
  i) Purchased goods & services (including capital goods)
  ii) Emissions from fuels and energy-related activities consumed
  iii) The impact of the electricity commercialised downstream (use of sold products).

The Company's Scope 3 emissions decreased from 47,859 tCO_2e to 45,481 tCO_2e year-on-year. This decrease is primarily driven by the reduction of construction activity during FY2025/26 compared with the previous reporting period, with under-construction assets Big Rock and Dogfish becoming operational. Increased battery utilisation during the year partially offset this reduction through higher activity-related emissions.

[11] Engineering, Procurement, Construction (EPC), Operations and Maintenance (O&M), Asset Management (AM).

Figure 9: Total Greenhouse Gas Emissions (split by category)



Percentages may not sum to 100% due to rounding.

Additional Metrics

The Company has adopted two additional sustainability indicators to quantify the environmental benefit of battery energy storage assets in the energy system:

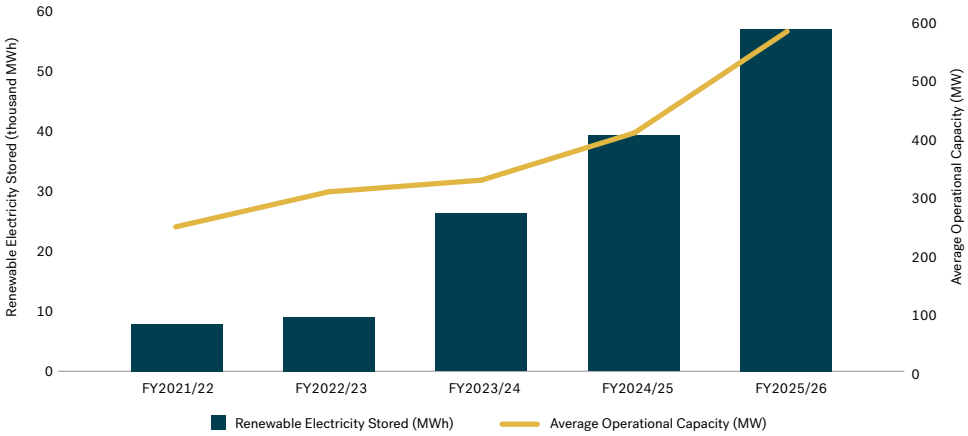
- Renewable electricity stored; and
- Net CO_2 emissions avoided.

Renewable Electricity Stored

The Company calculates the renewable energy stored to assess the extent to which its portfolio supports the integration of renewable generation into electricity systems. The indicator is based on metered battery activity data and regional renewable electricity generation shares and is calculated using import and export electricity volumes combined with renewable generation percentages for each electricity network in which the Company operates.

Renewable electricity stored during FY2025/26 was 56,975 MWh, compared with 39,290 MWh during FY2024/25. This represents an increase of approximately 45%, reflecting increased activity from newly operational assets and greater renewable energy participation across the portfolio.

Figure 10: Renewable Electricity Stored (FY2021/22 to FY2025/26)



Avoided Emissions

The Company measures avoided emissions to quantify the contribution of its battery energy storage assets to electricity system decarbonisation. The Company's assets provide critical grid services and can be used for different modes of operation such as ancillary services, wholesale energy trading and capacity market actions, supporting greater integration of renewable generation and reducing reliance on higher-carbon generation sources during electricity demand peaks.

During FY2025/26, the Company's portfolio avoided an estimated 15,142 tCO_2e, compared with 11,970 tCO_2e during FY2024/25, representing an increase of approximately 26.5%. This increase was largely attributable to Big Rock and Dogfish becoming operational.

Methodology

The Company continued to use the same approach employed in the previous year to preserve year-on-year comparability. The preferred methodology used is one adopted by industry working groups.

The methodology estimates avoided emissions by assessing the displacement of marginal thermal generation resulting from battery charging and discharging activity. It was applied to assets located in Great Britain, Texas, California, Ireland and Northern Ireland, where gas-fired generation is generally considered the marginal source of electricity generation. This methodology more accurately reflects the source of generation the battery is displacing in each settlement period and standardises calculations to improve comparability across funds. It models the displacement of gas-fired power generation by storage assets using defined variables like turbine efficiency and carbon intensity.

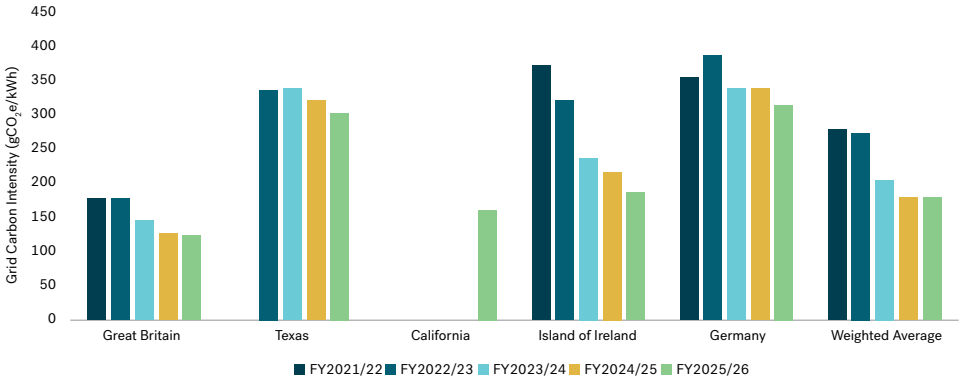
For the Company's German asset, an alternative European methodology was retained due to differences in grid composition and market structure. As a result, direct comparison between the German asset and the remainder of the portfolio should be undertaken with caution.

Limitations

The avoided emissions calculation currently captures emissions reductions associated with energy trading activities but does not quantify the benefits associated with ancillary services, such as grid balancing, frequency response and grid stability services. Due to limitations in available data and the absence of an established industry methodology, these benefits are not included in the avoided emissions figure reported.

As electricity grids continue to decarbonise, the carbon intensity of marginal electricity generation is expected to diminish. Consequently, the emissions reduction associated with energy trading activity alone may decline over time. This trend reflects the success of broader power-sector decarbonisation efforts and reinforces the importance of developing methodologies capable of capturing the wider system benefits delivered by battery energy storage systems, especially under the current methodology, which solely reflects trading activities. This is exemplified in Figure 11, which highlights grid decarbonisation in all the markets in which the Company operates, starting from the Company's first year of SFDR reporting. On a weighted average basis of the Company's operational portfolio, there was a 36% decrease in carbon intensity. The decreasing potential for CO_2e avoidance per kWh of renewable energy as grids become cleaner underscores the positive transition towards greener energy systems. Furthermore, it highlights the importance of fully capturing the avoided emissions impact of BESS in ancillary services and beyond, to accurately capture the value of BESS with increasingly intermittent grids.

Figure 11: Carbon Intensity of the Grids in which the Company Operates



Note: Grid data collected for Texas and California starts with the year of the first asset on the grid becoming operational.

Sustainability Disclosure Requirements (SDR)

The Company reports against the requirements of the **Sustainability Focus** label as defined by the Financial Conduct Authority (FCA). The full periodic disclosure can be found on both the Company's and the Manager's websites. The SDR regime was introduced to improve transparency, enhance investor confidence and help prevent greenwashing in the UK financial market. Through a principle-based framework, the FCA seeks to ensure that sustainability-related claims are clear, credible and proportionate, while enabling investors to better understand how products align with their sustainability preferences.

Sustainability Focus™

Sustainability Objective

The Company's sustainability objective is to support the green energy transition and climate change mitigation while providing investors with an attractive level of dividend. The Company seeks to achieve this objective through investment in utility-scale BESS, which are selected using robust, evidence-based sustainability criteria that align with both general and specific requirements, ensuring that investments contribute to positive environmental outcomes and are governed responsibly.

These assets support the green transition by achieving the following positive environmental outcomes:

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

By reducing renewable energy curtailment and providing flexibility services to electricity networks, the Company's assets support higher levels of renewable penetration and reduce reliance on fossil fuel-fired peaker plants, contributing to the decarbonisation of power systems.

Progress Towards the Objective

The Company measures progress towards its sustainability objective through two key performance indicators:

- total renewable electricity stored and
- net CO_2e emissions avoided.

During the FY2025/26 reporting period, the Company's operational portfolio stored 56,975 MWh of renewable electricity and avoided 15,142 tCO_2e emissions. These outcomes demonstrate the continued contribution of the Company's assets towards the integration of renewable energy and the reduction of power-sector emissions. Further information on the Company's ESG performance is available in the Company's full periodic disclosure and the SFDR section of this report.

Stewardship and Supplier Engagement

The Manager embeds sustainability throughout the investment lifecycle through active stewardship, comprehensive due diligence and ongoing engagement with suppliers and operational partners. This includes ESG assessment during investment evaluation, annual supplier data collection, supplier screening procedures, contractual sustainability expectations and adherence to the Manager's Code of Conduct. The Manager also engages with industry initiatives and stakeholders to support responsible business practices, supply chain transparency and continuous improvement in sustainability performance. These activities help ensure that the Company's operational partners remain aligned with its sustainability objective while minimising the risk of adverse environmental or social impacts.

Escalation and Governance

The Company typically maintains operational control over its assets, reducing the need for a formal proxy voting or engagement framework. Sustainability performance is monitored through the Company's governance framework, including oversight by the Board. The Manager provides regular reporting on sustainability performance, ESG-related risks and progress against the Company's sustainability objective. Continuous monitoring and established governance processes support the timely identification and management of potential issues, with corrective measures implemented where necessary to maintain alignment with the Sustainability Focus label requirements and the Company's sustainability objective.

Glossary

- **Article 8 Fund:** Under SFDR, a fund which "promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices".
- **Carbon Footprint:** Refers to the amount of greenhouse gases generated by an organisation or individual.
- **Decarbonisation:** Refers to the reduction of an entity's carbon footprint, particularly its greenhouse gas emissions, in order to reduce its impact on climate, as part of the transition to Net Zero.
- **Diversity, Equity and Inclusion:** Stands for the fair treatment of all individuals and groups of individuals, offering them equal opportunities.
- **ESG:** Environmental, Social and Governance refers to the central factors used when assessing business activities or investments with regard to sustainability.
- **EU Taxonomy:** A wide framework to identify, define and clarify economic activities which can be considered environmentally sustainable. The basis for the EU Taxonomy is the Taxonomy Regulation (Regulation (EU) 2020/852).
- **GHG - Scope 1, 2 & 3:** The three scopes categorise the different emissions a company can create in its own operations and within its value chain. Scope 1: directly through sources it owns; Scope 2: indirectly through purchased electricity; Scope 3: indirectly if caused by energy input purchases and other indirect sources.
- **GHG Emissions:** Greenhouse Gas (GHG) emissions refer to the sum of emissions of gases that have a global warming impact including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons (HFCs) and sulfur hexafluoride (SF6).
- **GHG Protocol:** A global framework for measurement and management of Greenhouse Gases.
- **IPCC:** The Intergovernmental Panel on Climate Change (IPCC) is a United Nations body assessing science related to climate change. It prepares comprehensive Assessment Reports about the state of knowledge, climate change impacts, future risks and options for reducing the rate at which it takes place. It also prepares Special Reports on topics agreed upon by governments, as well as Methodology Reports that provide guidelines for the preparation of inventories of greenhouse gases.
- **Net Zero:** Net Zero describes a balanced scenario between the amount of greenhouse gases produced and the amount removed from the atmosphere.
- **OECD Guidelines for Multinational Enterprises:** Recommendations addressed to multinational enterprises on a range of issues including human rights, employment, industrial relations, environment, combating bribery, consumer interests, disclosure of information, science and technology, competition, taxation, among others.
- **PRI:** The Principles for Responsible Investment (PRI) promotes responsible investment through six investment principles that support the integration of responsible investment into investment decisions.
- **Renewable Energy:** Energy generated from a naturally replenishing source, such as solar energy, wind energy, hydro energy and geothermal energy.
- **SDG:** Sustainable Development Goals (SDGs) were set up by the UN in 2015 and total 17 interlinked goals designed as a blueprint towards a better and more sustainable future for all.
- **SDR:** Sustainability Disclosure Requirements were introduced by the Financial Conduct Authority in the UK. Under SDR, financial products are labelled based on intentionality and the level of sustainable investments.
- **SFDR:** Sustainable Finance Disclosure Regulation. The SFDR regulation (EU Regulation 2019/2088) sets harmonised rules for financial market participants and financial advisers on sustainability-related disclosures to improve transparency and support better investment decisions.
- **Sustainability:** Sustainability has been defined as the way in which people, the planet, prosperity and purpose come together in order to meet current needs without compromising the ability of future generations to meet their own needs.
- **Sustainability Risks:** Sustainability risks refer to potential negative financial impact on investments due to environmental, social and/or governance issues.
- **TCFD:** Task Force on Climate-Related Financial Disclosures (TCFD) was created by the Financial Stability Board (FSB) as recommendations to companies on climate-related financial disclosure for informed capital allocation.

Gore Street
Energy Storage Fund plc

First Floor
16-17 Little Portland Street
London
England
W1W 8BP

www.gsenergystoragefund.com