GRAVIS
UK
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VT Gravis UK Infrastructure Income Fund (UKIIF)

ESG Credentials Paper

This paper provides an indication of the Environmental, Social and Governance (ESG) standards and actions undertaken by the holdings of the VT Gravis UK Infrastructure Income Fund (UKIIF).

Purpose

- To provide clarity on the level of ESG engagement of the holdings in the UKIIF portfolio.
- The Fund is not explicitly an ESG strategy, however, many of the holdings are improving their approach from this perspective. Gravis are seeking to raise awareness of this and therefore the potential suitability of the Fund for an ESG investor.
- Gravis have collated 18 ESG metrics, detailed overleaf, which range in scope from sustainability targets, to enhanced reporting standards, environmental safe-guarding actions, and social and governance factors.
- The document is factual in its reporting of the action taken by these companies. Gravis do not offer an opinion or assessment of the status of the holdings.

Methodology

- This document has been compiled using publicly available information, sourced from each company's published material including Annual Reports and Sustainability Reports. Where necessary, Gravis made direct contact with the investor relations departments of each company to seek additional information. In future Gravis may issue companies in the UKIIF portfolio with a Due Diligence Questionnaire (DDQ) to collect information.
- The metrics chosen for inclusion are those that are most widely embraced, and most relevant to the infrastructure sector and the closed-ended companies which account for the majority of the Fund's holdings. These metrics include holistic ESG standards, as well as indicators of more focused awareness of Environmental, Social and Governance accountability.

Usage

- This document may be used by the Fund Adviser when speaking to company management of existing and prospective holdings.
- The Fund Adviser may proactively engage with company management to continue to enhance and develop their approach to ESG metrics and may discuss with management their reasoning for not reporting on these.
- This information may factor into the Fund Adviser's approach when considering a new holding or reviewing an existing holding. Lack of engagement will not preclude the Fund Adviser from investing, however a positive outcome of our ESG due diligence may increase enthusiasm.
- Over time, and through engagement, Gravis expects the document to develop and indicate a transition towards increased incorporation of ESG factors by holdings.
- In line with the Gravis Responsible Investment Policy, investments which focus on armaments, alcohol, gambling, pornography, tobacco, coal production and power, nuclear fuel production are excluded. Investments with ongoing or persistent involvement in human rights abuses will be avoided altogether.
- The GAL Voting & Engagement Policy applies to the VT Gravis UK Infrastructure Income Fund.

Observations and progression

The ESG engagements for the UKIIF holdings have been updated to reflect the portfolio as at 30th June 2023. The following section will highlight some key areas of improvement from the previous report.

There have been a number of improvements across the portfolio companies since last publication:

- From a governance perspective, within boardroom gender diversity, holdings reporting a diversity split of 50% or greater has increased from 63.3% to 94.7%.
- Within the social section, health and safety reporting increased from 10% to 64%, with the further 36% falling under N/A.
- Within the portfolio, companies reporting their emissions is up 12% to 56%. This is a significant step, as whilst the disclosures may not be overly positive for the companies, it highlights a wider understanding of climate issues and the need for accountability.
- Companies with Sustainability Reporting are up 7% to 98%. The biggest improvements is in relation to companies reporting against the four main standards from the Task Force on Climate-Related Financial Disclosures (TCFD) with this up 39% compared to the previous report

A note - all figures are provided on a weighted basis. With many holdings having no employees, a N/A is the most appropriate response for many holdings when looking at social metrics.

ESG ratings, memberships and reporting standards

Weighted response per ESG metric

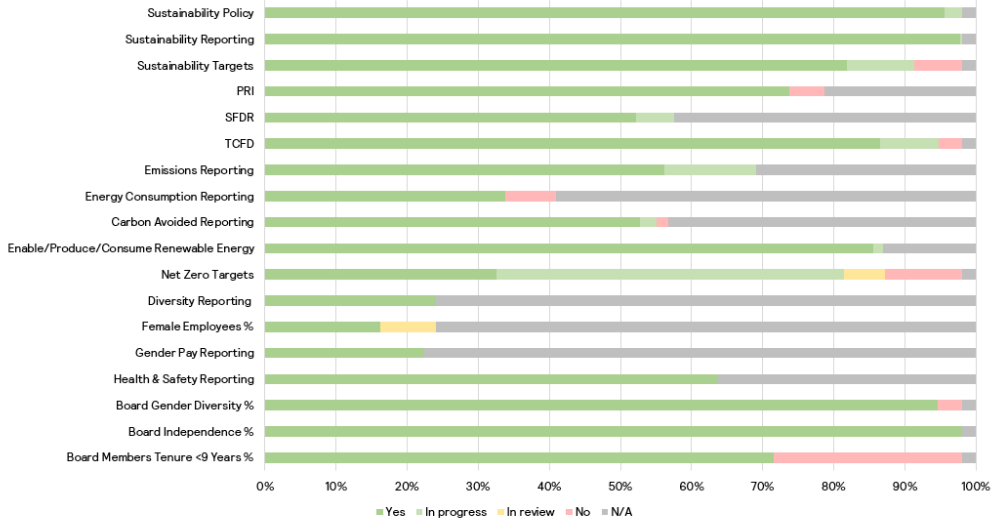
Holding	Asset	Sustainability Policy	Sustainability Reporting	Sustainability Targets	Sustainability Disclosure			Environmental Impact					Social				Governance		
					PRI	SFDR	TCFD	Emissions Reporting	Energy Consumption Reporting	Carbon Avoided Reporting	Enable/Produce/Consume Renewable Energy	Net Zero Targets	Diversity Reporting	Female Employees %	Gender Pay Reporting	Health & Safety Reporting	Board Gender Diversity %	Board Independence %	Board Members Tenure <9 Years %
Holding1	Equity	Yes	Yes	No	Yes	N/A	Yes	N/A	Yes	N/A	Yes	Inherent	N/A	N/A	N/A	N/A	43%	86%	100%
Holding2	Equity	Yes	Yes	Yes	Yes	Article 8	Yes	Yes	Yes	No	Yes	Yes	Yes	34%	N/A	Yes	60%	100%	100%
Holding3	Equity	Yes	Yes	Yes	Yes	Article 8	Yes	Yes	N/A	Yes	Yes	Inherent	N/A	N/A	N/A	Yes	33%	100%	100%
Holding4	Equity	Yes	Yes	Yes	Yes	Article 8	In progress	In progress	N/A	N/A	N/A	In review	N/A	N/A	N/A	N/A	50%	100%	100%
Holding5	Equity	Yes	Yes	Yes	Yes	Article 8	Yes	N/A	N/A	N/A	N/A	Carbon reduction targe	N/A	N/A	N/A	Yes	57%	100%	100%
Holding6	Equity	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	N/A	Yes	Yes	Yes	30%	Yes	Yes	50%	100%	100%
Holding7	Equity	Yes	Yes	Yes	Yes	Article 8	Yes	N/A	N/A	N/A	N/A	In review	N/A	N/A	N/A	N/A	40%	100%	100%
Holding8	Equity	Yes	Yes	Yes	Yes	In progress	Yes	N/A	N/A	N/A	N/A	Inherent	N/A	N/A	N/A	Yes	40%	100%	100%
Holding9	Equity	Yes	Yes	Yes	Yes	N/A	In progress	N/A	N/A	N/A	Yes	No	N/A	N/A	N/A	N/A	50%	100%	100%
Holding10	Equity	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	Yes	Yes	Inherent	N/A	N/A	N/A	N/A	33%	100%	83%
Holding11	Equity	In progress	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	In review	Yes	20%	Yes	Yes	43%	100%	100%
Holding12	Equity	Yes	Yes	Yes	Yes	Article 9	Yes	N/A	N/A	Yes	Yes	Inherent	N/A	N/A	N/A	Yes	50%	100%	83%
Holding13	Equity	Yes	Yes	Inherent	Yes	Article 8	In progress	Yes	Yes	Yes	Yes	Inherent	N/A	N/A	N/A	N/A	25%	100%	100%
Holding14	Equity	Yes	Yes	Yes	Yes	Article 8	Yes	Yes	N/A	Yes	Yes	Yes	N/A	N/A	N/A	Yes	38%	100%	100%
Holding15	Equity	Yes	Yes	Yes	Yes	N/A	Yes	N/A	Yes	In progress	Yes	Yes	N/A	N/A	N/A	N/A	40%	80%	100%
Holding16	Equity	Yes	Yes	Yes	Yes	Article 9	Yes	Yes	N/A	Yes	Yes	Inherent	N/A	N/A	N/A	Yes	43%	100%	100%
Holding17	Bond	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Holding18	Equity	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	N/A	Yes	Yes	Yes	24%	Yes	Yes	42%	75%	92%
Holding19	Equity	Yes	Yes	Yes	Yes	Article 9	Yes	In progress	N/A	Yes	Yes	Inherent	N/A	N/A	N/A	N/A	50%	100%	50%
Holding20	Equity	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	31%	Yes	Yes	56%	100%	100%
Holding21	Equity	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	N/A	Yes	Yes	Yes	48%	Yes	Yes	33%	100%	66%
Holding22	Equity	Yes	Yes	Yes	Yes	Article 8	Yes	Yes	N/A	Yes	Yes	Inherent	N/A	N/A	N/A	Yes	60%	100%	100%
Holding23	Equity	Yes	Yes	Yes	Yes	N/A	No	Yes	Yes	N/A	In progress	In progress	N/A	N/A	N/A	N/A	25%	50%	100%
Holding24	Equity	Yes	In progress	Yes	Yes	N/A	No	Yes	N/A	N/A	In progress	Inherent	N/A	N/A	N/A	N/A	33%	100%	100%
Holding25	Equity	Yes	Yes	Yes	Yes	In progress	Yes	N/A	N/A	N/A	N/A	Inherent	N/A	N/A	N/A	Yes	60%	100%	100%
Holding26	Equity	Yes	Yes	In progress	Yes	Article 8	Yes	In progress	No	N/A	Yes	No	N/A	N/A	N/A	N/A	50%	100%	100%
Holding27	Equity	In progress	Yes	Yes	No	N/A	No	N/A	N/A	N/A	Yes	In review	N/A	N/A	N/A	N/A	40%	100%	100%
Holding28	Equity	Yes	Yes	Yes	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	51%	Yes	Yes	33%	100%	100%
Holding29	Equity	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	35%	Yes	Yes	44%	80%	90%
Holding30	Equity	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Yes	Yes	40%	82%	100%
Holding31	Equity	Yes	Yes	No	N/A	N/A	Yes	Yes	Yes	N/A	Yes	Yes	Yes	47%	Yes	Yes	50%	100%	100%
Holding32	Bond	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Internal ESG

Reporting standards

Environmental impact

Social & governance disclosures



Gravis

June 2023

Holdings ranked by size. Graphics show proportion of 'Yes', 'No', 'In progress', 'In review', 'No' and 'N/A' by holding weight.

Key Terms

	Sustainability targets	The implementation of sustainability targets to provide a framework for ESG activities. These targets can include a commitment to the provision of renewable energy, a focus on providing critical infrastructure, a desire to reduce environmental impact, or a commitment to a diverse workforce.
	SFDR	The Sustainable Finance Disclosure Regulation (SFDR) came into force in March 2021. Introduced by the European Commission, the SFDR requires eligible asset managers to provide prescript and standardised disclosures on how ESG factors are integrated at both an entity and product level.
PRI Principles for Responsible Investment		The PRI (Principles for Responsible Investment) is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES		TCFD (Task Force on Climate-Related Financial Disclosures) is a voluntary organisation which aims to develop consistent climate-related financial risk disclosures. The Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries.
	Enabling/ producing renewable energy	The facilitation of the production of renewable energy e.g. through investment in renewable energy assets, the installation of on-site renewable energy generation capacity, for example with the installation of solar panels on the roof of warehouse assets, or the support of renewable energy viability e.g. through battery storage.
	Emissions & energy consumption reporting	The calculation and reporting of greenhouse gas emissions or energy consumption. Greenhouse gas emissions are often provided using scopes, providing a breakdown by scope 1, scope 2 and scope 2 emissions. Companies often target net zero by 2030 or 2050.
	Renewable energy purchasing	The calculation and reporting of the quantity of carbon dioxide avoided or renewable energy generated through a company's operation or investments.
	Gender pay reporting	The gender pay gap is the difference between the average (mean or median) earnings of men and women across a workforce. All employers with more than 250 employees are required to provide gender pay gap reporting. The gender pay gap calculations are based on employer payroll data drawn from a specific date each year. This specific date is called the 'snapshot date'. Gender pay gap reporting must be provided for companies with more than 250 employees.
	Board tenure	The percentage of the board whose tenure is in line with the UK Corporate Governance Code 2018 guidance that a member of the board should not remain in their post for more than nine years after their first appointment.