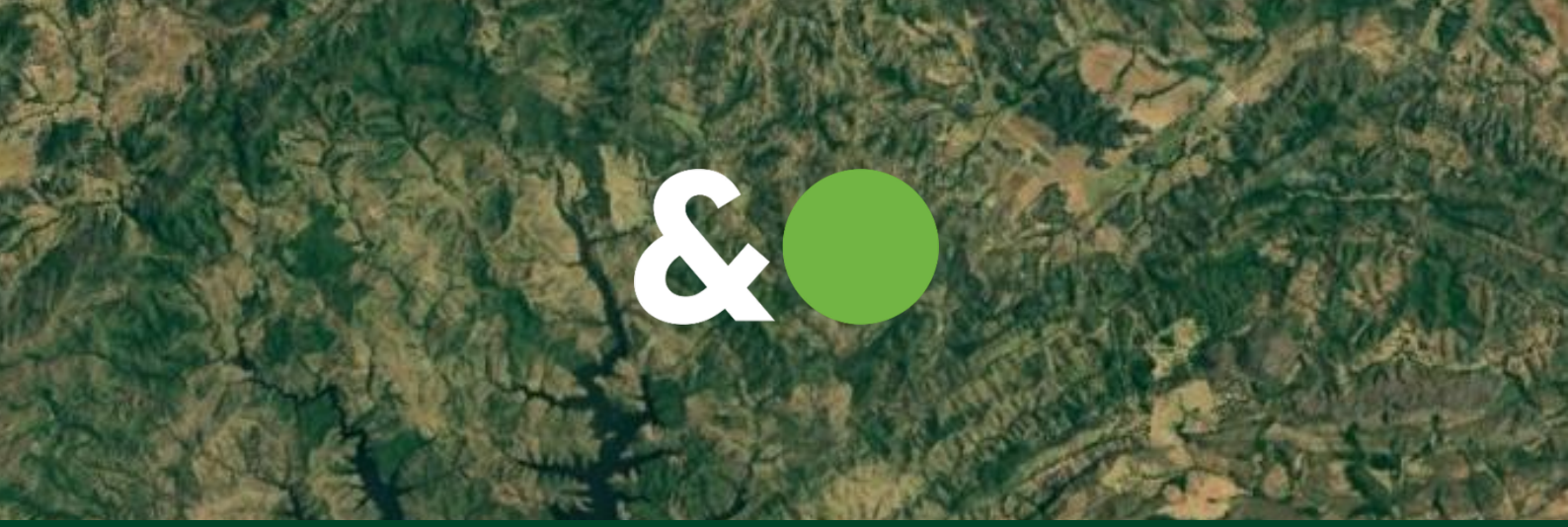

&GREEN - INTEGRATED TNFD / TCFD REPORT

Reporting year 2025

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Executive Summary

Established in the Netherlands in 2017, &Green Fund (&Green) was created to address a defining challenge of the coming decades: how to meet growing demand for food and agricultural commodities while protecting valuable forests and peatlands. The Fund's focus landscapes hold extraordinary climate and biodiversity value and are central to the livelihoods and resilience of local communities

We finance frontrunner companies in sectors that drive deforestation such as cattle, palm oil, soy, cocoa, coffee, and rubber to create blueprint transactions that demonstrate sustainable pathways forward.

In tropical landscapes, climate change and biodiversity loss are two sides of the same coin. Deforestation simultaneously releases massive carbon emissions and destroys critical habitats. Conversely, protecting and restoring tropical forests delivers both climate mitigation and biodiversity conservation. This is why &Green integrates TCFD and TNFD reporting: because our investment strategy addresses both crises together through Sustainable Value Creation Plan[1] (SVCP) that contractually bind our investees to forest protection, restoration, and sustainable production.

This report presents the integrated disclosure of climate- and nature-related risks, dependencies, and opportunities in alignment with the TCFD and TNFD frameworks, covering activities, data, and management responses across the 2025 reporting period.

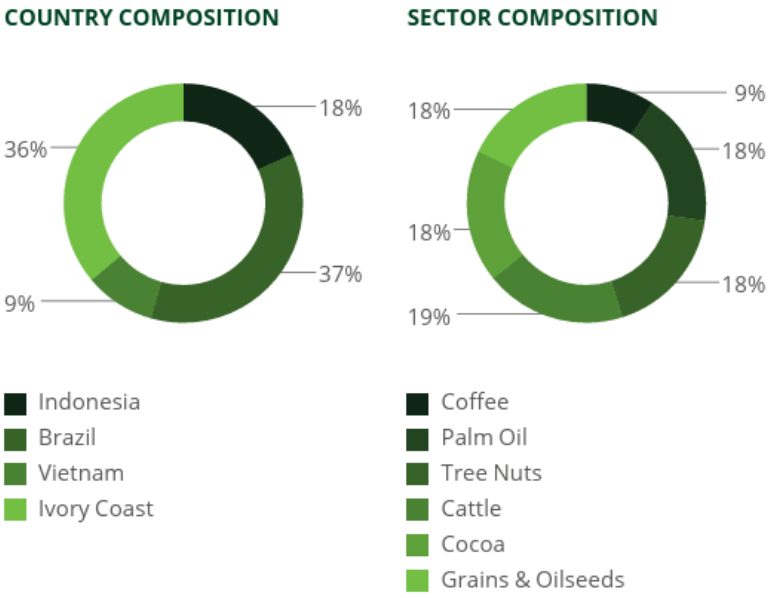
This report consolidates climate and nature disclosures for the &Green Fund for the reporting year 1 January to 31 December 2025. It covers &Green's portfolio in Brazil, Indonesia, Ivory Coast, Colombia and Vietnam, across exposure to cattle, palm oil, soy/corn, cocoa and coffee. Portfolio totals and percentages reflect the MRV financed boundary defined by borrower obligations and deal-specific MRV Protocols.

[1] From 2025, the term "Sustainable Value Creation Plan (SVCP)" replaces the terms "Environmental and Social Action Plan (ESAP)" and "Landscape Protection Plan (LPP)" used in earlier reports. This is a change of name only and &Green's investment process and the commitments agreed with the portfolio companies remain unaltered. The change was made to better align with existing value creation language used in the private markets.

Active Investments: 6 transactions

Total AUM: USD 165 million

Portfolio Composition:



2025 Impact Highlights: Nature & Climate

Nature transition progress:

- 100% investments with SVCP nature actions;
- 100% investments with NDPE / no-conversion commitments;
- 100% investments with verified monitoring;
- 3.4 million hectares of tropical forests protected under SVCP commitments

Forests Protected: 3.4 million hectares of natural tropical forests protected under SVCP commitments:

- **48 % primary/undisturbed forest**
- **Zero gross deforestation** across all portfolio investments in 2025
- **Protected Ecosystem:**
  - Tropical/subtropical lowland rainforest: 181,916 hectares
  - Tropical/subtropical dry forests and thickets: 1,869,567 hectares
  - Tropical heath forests: 1,243 hectares
  - Tropical flooded forests and peat forests: 443,649 hectares

- **Protected Biomes:**
  - Amazon: 1,612,827 hectares
  - Cerrado: 1,644,658 hectares

Threatened Species Habitats Safeguarded:

- **Critically Endangered:** 17 species
- **Endangered:** 37 species
- **Vulnerable:** 51 species

Restoration Progress:

- **4,150 hectares** restored/reforested since inception

Climate Impact

- **Carbon Sequestration: 16,318,819 tCO_2e** sequestered through forest restoration and regeneration as of 2025

GHG Profile

- **70,271,311 tCO_2e** Scope 1, 2 and 3 emissions from investee operations, including known supply chains (attributed to &Green)
- **Zero tCO_2e** from land-use change due to NDPE policy implementation
- **Climate Benefits:** 16,318,819 tCO_2e sequestered by forests under &Green's protection as of 2025
- **Carbon Stock**: **1 billion tCO_2e** in standing forest carbon maintained within the financed boundary in 2025 due to compliance with NDPE and deforestation-free covenants

Risk Management Performance: 100% Portfolio Coverage:

- SVCP milestones: 7/7 investments
- No Deforestation, No Peat, No Exploitation (NDPE) commitments: 7/7 investments

Monitoring & Verification:

- Satellite-based forest monitoring: Annual check for supply chain
- Third-party verification: 100% of investments verified annually

Looking Ahead

&Green remains committed to demonstrating that protecting tropical forests while financing productive agriculture is not only possible but profitable. In 2026, we will focus on expanding our portfolio while maintaining our rigorous standards, enhancing biodiversity metrics to achieve portfolio-wide net gain, and refining our climate impact quantification to align with emerging science-based targets for the land sector.

1. GOVERNANCE

1.1 Board oversight on climate and nature risk

The &Green Fund operates under a comprehensive governance framework designed to effectively manage sustainability risks, including climate and nature risks. This structure ensures that environmental and social considerations are systematically integrated throughout the investment process while maintaining robust oversight and accountability.

The Advisory Board serves as the strategic oversight body, bringing together fund contributors alongside regional political and business experts. Key responsibilities include overseeing the Fund's strategic direction and operational framework. Approving and periodically reviewing investment principles to ensure they remain relevant and effective in addressing sustainability goals, while also ensuring these principles align with evolving environmental and social standards and regulatory requirements. The board maintains oversight authority over the Fund's geographic scope by approving all jurisdictions in which the Fund is authorized to invest, thereby ensuring appropriate risk management and regulatory compliance across different markets. Additionally, the advisory board provides strategic guidance on the management of climate and nature-related risks and opportunities, recognizing the critical importance of environmental considerations in investment decision-making.

Appointed by the Advisory Board, the **Board of Directors** functions as the primary decision-making body responsible for fund management and investment decisions. The Board ensures that environmental and social (E&S) considerations are integrated throughout the entire investment process, from initial screening to final investment decisions. While the Board outsources most operational activities to expert service providers, particularly the Investment Advisor, it maintains oversight of due diligence processes that assess E&S impacts and dependencies for each investment

1.2 Management's role in assessing and managing climate risk

The operational management of sustainability risks, including nature and climate risks, is undertaken by &Green's investment advisor, SAIL Investments. This function sits within the Investment Group under a dedicated Sustainability Team that operates under the direct leadership of the Chief Sustainability Officer (CSO).

Integrated assessment workflow. At origination, the Sustainability Team applies an integrated workflow that combines climate scenario analysis with TNFD's LEAP approach.

- **Climate lens.** Physical and transition risks are screened at jurisdiction and asset levels, using time horizons that match facility tenor. Outputs include hazard exposure, sensitivity, and adaptive capacity, plus implications for operations, suppliers, and markets.
- **Nature lens.** The team locates material interfaces with ecosystems, evaluates drivers such as deforestation, habitat conversion, water stress and pollution, and assesses materiality to both the fund and nature. At deal level, investees submit boundary and land class files that show where financing is active and what ecosystems are present. These are validated by the team through schema checks, projection checks, topology corrections, and harmonized class naming so that natural forest, plantations, restoration, set asides, and production zones are comparable across investments.

Translation into actions and covenants. Assessment findings are translated into specific sustainability covenants and, where relevant, Landscape Protection Plan commitments. Typical responses include supplier traceability and engagement, natural forest and peat protection, regenerative practice adoption, water management, climate adaptation measures, and grievance and remediation processes. These requirements are formalized through sustainability covenants and scheduled evidence gates so progress can be verified.

Ongoing management and verification. Post investment, the Sustainability Team monitors delivery against borrower commitments. Evidence is gathered through investee reporting and geospatial monitoring, then verified on a risk basis by independent parties. Verified Outputs convert to Outcomes and, after overlap checks, to portfolio KPIs. Non delivery, evidence gaps, or reversals trigger predefined escalation, for example return for correction, technical assistance, covenant step up, Investment Committee review, or suspension.

Decision support and governance. The team provides pre investment advice to the Investment Group and documents assessments for CSO review before inclusion in the investment process. During ownership, the team reports to management and the Investment Committee on climate and nature exposures, progress against milestones, and recommended actions. Methods, data controls, and restatement policies are maintained by the Sustainability Team so that public metrics reconcile to the assured dataset used across disclosures.

2. STRATEGY

Our commitment to nature and climate is an essential component of our investment approach. Nature-related risks and opportunities, together with climate-related ones, are assessed from origination to exit and shape screening, due diligence, structuring, portfolio management, and disclosure. We engage actively with borrowers on both climate and nature to reduce risks, strengthen resilience and improve performance of our portfolio companies.

This integration is secured through:

- **Standards and safeguards**. International Finance Corporation Performance Standards (IFC PS) guide overall sustainability risk management, with PS6 embedded through &Green's Nature framework.
- **Sustainability covenants**. Sustainable Value Creation Plans (SVCPs), translate risks and opportunities into time bound, verifiable actions and contractually binding actions.
- **Evidence and verification**. Deal specific MRV Protocols define evidence gates for Outputs and Outcomes that roll up to portfolio KPIs.

Figure 1 summarizes our strategy logic. Left, the growth and transition levers we use with investees. Right, the planet level impact we target and the outcomes we verify. The vertical axis anchors near term 2030 delivery and 2050 ambition. Sustainable value creation sits at the centre, joining business performance with climate and nature results.

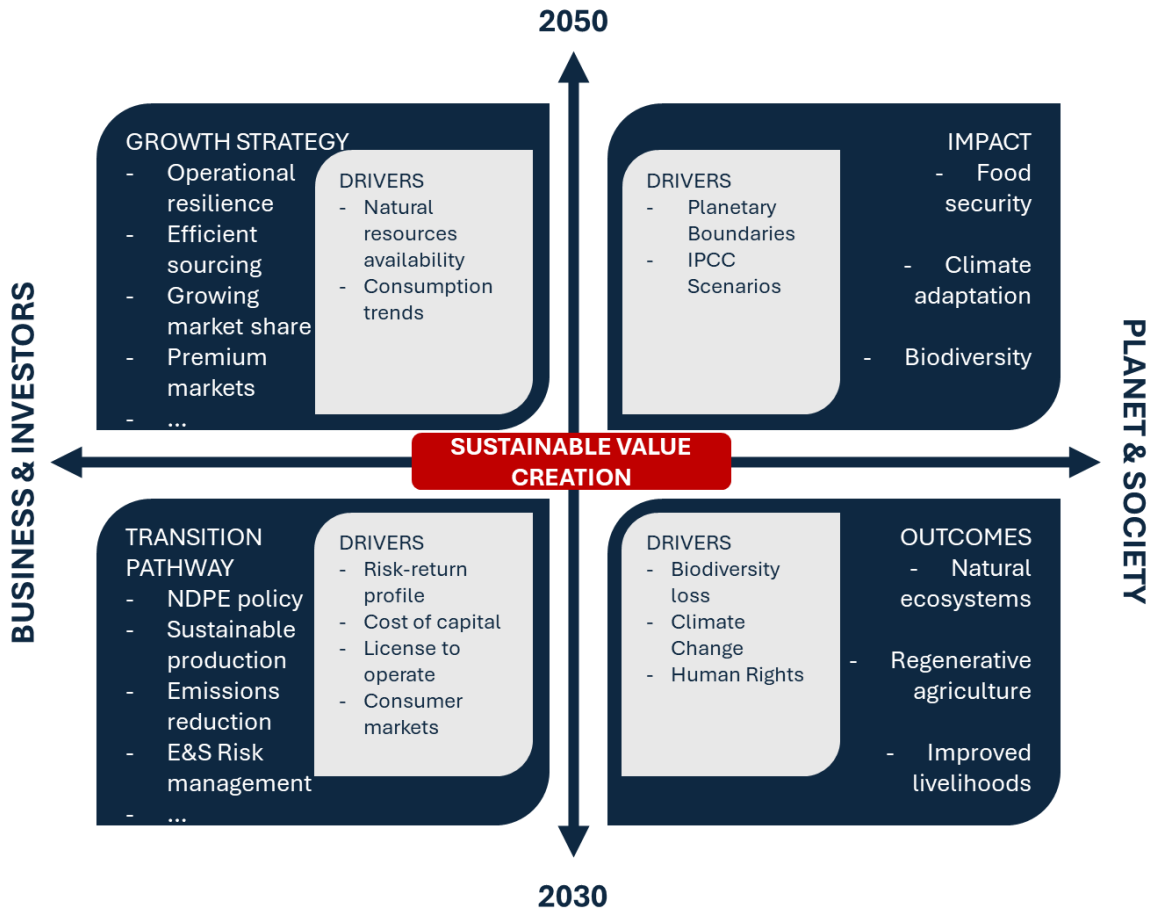


Figure 1. Sustainable Value Creation Map. The figure links &Green's business levers to planetary outcomes across time. Left quadrants show how investees create value for business and investors through a growth strategy and a transition pathway. Right quadrants show what this delivers for planet and society, namely impacts and measurable outcomes. The horizontal axis runs from business and investors to planet and society. The vertical axis runs from 2030 to 2050, signalling near term delivery and long term ambition. At the centre sits Sustainable Value Creation.

2.1 Identifying and Assessing Climate and Nature-Related Risks

Our approach

We apply double materiality. Outside in, we assess how climate and nature can affect an investee and the portfolio. Inside out, we assess how financed activities could pressure climate and nature, applying Do No Significant Harm logic consistent with EU Taxonomy objectives. Assessment is integrated: climate scenario analysis is paired with TNFD's LEAP workflow for nature.

&Green uses SVCPs and MRV Protocols as the practical mechanism for nature transition planning at investee level. LEAP helps identify material nature-related issues. SVCPs define the response through actions, milestones, evidence requirements, owners, and monitoring.

LEAP in practice

- **Locate**. Map where financed activities and suppliers intersect natural ecosystems and sensitive jurisdictions.
- **Evaluate**. Identify material drivers and dependencies, for example deforestation risk, habitat conversion, water stress, pollution, and soil degradation.
- **Assess**. Determine materiality to the fund and to nature, using thresholds and eligibility rules (natural forest, peat, critical habitat) and testing exposure, sensitivity, and adaptive capacity.
- **Prepare**. Translate findings into SVCP actions, with evidence, timelines, and verification plans.

TNFD Transition-plan element	&Green equivalent
Foundations	Material nature issues, financed boundary, SVCP scope
Implementation strategy	SVCP commitments and milestones
Engagement strategy	Borrower, supplier, community/IPLC engagement where relevant
Metrics & targets	MRV Protocols, portfolio KPIs, evidence gates
Governance	Board/IC oversight, CSO review, borrower owners, escalation

Climate related risks

We assess physical and transition risks across short, medium, and long horizons at jurisdiction, asset, and supplier levels. Screening aligns with EU Taxonomy hazard categories and uses multi-model climate ensembles consistent with IPCC practice. We profile exposure, sensitivity, and adaptive capacity, then translate material findings into SVCP, for example adaptation measures, supplier engagement, and incident preparedness. Portfolio views aggregate hazard exposure and value at risk to guide allocation, engagement priorities, and escalation thresholds.

Nature related risks

Nature assessment focuses on drivers and state of ecosystems relevant to the deal scope: deforestation and degradation in natural forests, conversion of natural ecosystems, biodiversity loss, water quantity and quality, and soil condition. Investees provide boundary and land class files defining where financing is active and the ecosystems present. The Sustainability Team validates these datasets (schema, projection, topology, class harmonization) so natural forest, plantations, restoration areas, set asides, and production zones are comparable across investments. Risks are prioritized where the likelihood and consequence for nature and finance are both high, for example reversal risk in protected polygons or supplier leakage.

Opportunities

&Green identifies opportunities where stronger management of climate and nature can enhance investee long-term performance and business resilience. Consistent with TCFD and TNFD, opportunities are identified alongside risks using scenario analysis and the LEAP workflow, then evaluated for business relevance, feasibility, and materiality to nature. Examples include improved resource efficiency, strengthened supply assurance, premium market access. The emphasis is on opportunities that are credible within the financed boundary and that support long term value creation.

Opportunities are incorporated into the Sustainable Value Creation Plan as time bound milestones with defined responsibilities and information needs. Each milestone specifies what will be delivered, how progress will be demonstrated, and when reviews will occur. For investments with material value-chain or landscape exposure, engagement requirements may cover suppliers, aggregators, local communities, Indigenous Peoples and other affected stakeholders, depending on the nature issue and the financed boundary. As milestones are completed, results are recorded and, after standard consolidation and overlap checks, contribute to portfolio indicators. This approach keeps opportunity management aligned with governance, risk, and disclosure requirements under TCFD and TNFD while avoiding prescriptive focus areas and allowing for investee specific pathways.

2.2 Impact of climate-related risks and opportunities to the Manager's strategy and financial planning

&Green's investment thesis on decoupling agricultural commodity production from deforestation in tropical regions. Climate and nature related risks are omnipresent and directly inform the fund's strategy and financial planning. We assess them using a double materiality lens and integrate results into structuring and portfolio management.

Our strategy and financial planning accounts for the nature-climate risk nexus facing our investees, particularly Agri-commodity businesses. Many operate under rising and rainfall variability, which can result in yield losses and operational disruptions. Nature and more specifically biodiversity considerations are embedded from origination through standardized screening of historical and forward-looking risks, including potential conversion of natural or critical habitats and an assessment of management capacity to avoid, minimize, restore, or offset in line with mitigation hierarchy. These analyses inform transaction screening, the calibration of Sustainable Value Creation Plan milestones, monitoring expectations, and resourcing. At the same time, they highlight opportunities to strengthen governance, data and traceability, and risk management practices that support operational resilience and acceptance by buyers and other investors.

This dual perspective shapes our investment approach by engaging with companies that can demonstrate climate resilience while contributing to deforestation-free production models, ultimately creating a portfolio that is both financially robust and aligned with the global climate and nature nexus.

2.3 Resilience of the organization's strategy to climate risks and opportunities taking into consideration different climate-related scenarios

&Green conducts extensive in-house research to gain a deep understanding of climate-related issues both before and during investment. A particular attention is given to key commodities we invest in, and how they are locally impacted by climate change hazards at jurisdiction but also at asset level. Additional research on adaptation and mitigation strategies is added as well to our research, to mitigate risks and create not only resilience, but sustainable value for our investees.

Scenario analysis helps us defining the value at risk resulting from physical risks. The analysis is done on investee level, at the different stages of our investment process. The outcomes of those scenarios are also aggregated and analysed on fund level, via the CERO tool, provided by Climate Risk Services (CRS), a data analytics and advisory firm, focusing on building a net zero, climate resilient, and nature-positive world. The methodology combines granular hazard data at a local level up to a one-kilometre resolution with sensitivities of specific economic activities and clients to hazards to give a comprehensive view of risks in line with IPCC guidance.

Two of the most relevant scenarios used as part of the IPCC 5th Assessment Report (AR5) are considered:

- RCP 8.5 with temperature alignment of 3.2-5.4°C (worst-case).
- RCP4.5 with temperature alignment of 1.7-3.2°C (likely).

Where scenarios indicate elevated risk to yield, logistics, or processing, we reflect this in SVCP actions such as water stewardship, heat and flood preparedness, supplier diversification and traceability, and siting or timing adjustments.

3. RISK MANAGEMENT

3.1 Organization's process for identifying and assessing climate-related risks

&Green identifies and assesses climate and nature-related hazards to ensure our activities support climate change adaptation and nature-positive outcomes, and meet the Do No Significant Harm (DNSH) criteria under the EU Taxonomy and relevant SFDR requirements.

- This assessment identifies physical climate risks, including acute hazards like floods, storms, and wildfires, and chronic hazards such as sea-level rise, prolonged heat, and water stress. The analysis uses regionally downscaled climate projections from sources like the IPCC and national climate data providers;
- In parallel, nature-related risk screening follows the TNFD LEAP workflow at jurisdiction, asset, and supplier levels, locating interfaces with natural ecosystems and evaluating drivers such as deforestation, habitat conversion, water stress, and pollution;
- &Green assesses vulnerability and exposure by analysing location-specific risks, critical systems' sensitivity, and infrastructure's adaptive capacity, using methodologies like ISO 14091;

- For nature, materiality is assessed using eligibility thresholds for natural forest and other natural ecosystems, and financed-boundary rules that determine what is in scope for monitoring and disclosure;
- For identified material risks, adaptation measures are integrated into our activities' design and operation to reduce vulnerability and enhance resilience;
- For identified nature risks, avoidance, minimisation, and restoration actions are prioritised and reflected in the Sustainable Value Creation Plan (SVCP) with time-bound milestones.
- To comply with DNSH requirements, &Green ensures adaptation actions do no significant harm to other environmental objectives of the EU Taxonomy, avoiding practices that increase emissions, degrade ecosystems, or use resources unsustainably.

Through the CERO tool, developed by CRS, &Green translates climate-related risk data into fit-for-purpose and decision useful insights at portfolio and investee level, and through geospatial analytics of investee boundary and land-class files, translates nature-related risk into comparable, polygon-based evidence for management and disclosure.

> The CERO methodology focuses on transparency, scientific robustness, and actionable insights. The analytics use peer-reviewed, publicly available scientific literature from leading academic and scientific institutions including the UK Met Office, Potsdam University, NASA, World Resources Institute (WRI), UN Food and Agriculture Organization (FAO), and others. All hazard models use the latest CMIP6 and CMIP5 data with an ensemble of climate models in line with modelling best practices. All data points are fully replicable and no black box models have been used.

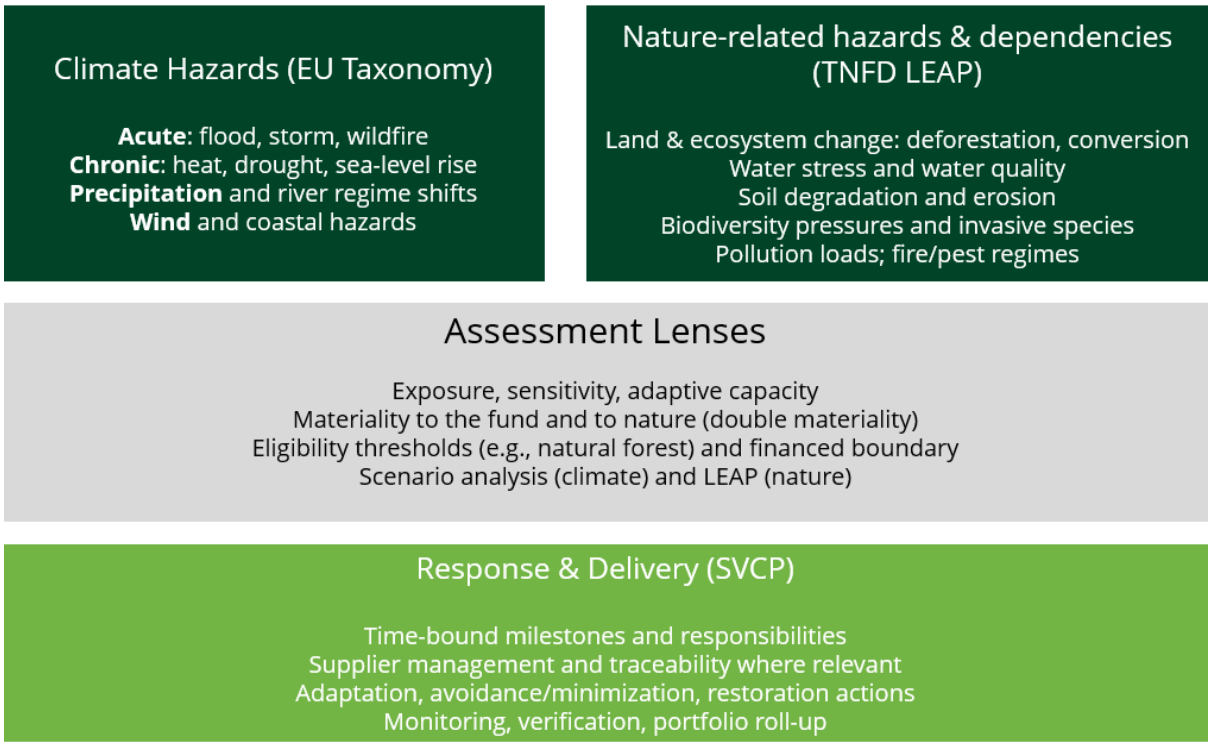


Figure 2. Integrated hazards and dependencies map. *Climate hazards (per EU Taxonomy categories) and nature-related hazards and dependencies (per TNFD LEAP) are assessed in parallel, then filtered through common assessment lenses, exposure, sensitivity, adaptive capacity, double materiality, eligibility and financed-boundary rules. Material issues are addressed through SVCP milestones, with monitoring and verification for portfolio roll-up.*

3.2 Organisation's processes for managing nature and climate-related risks

&Green integrates climate and nature related risks into our investment activities at both deal and portfolio levels, recognizing that climate and nature-related risks and opportunities can significantly impact the financial performance of our investee companies.

At deal level, sustainability is integrated through the entire investment lifecycle from origination to exit. This begins with our exclusion criteria and initial E&S risk screenings. At the portfolio level, we track several KPIs ranging from investee emissions to forest conservation, in order to assess and manage nature and climate-related exposures. Following recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), we implement as well a portfolio-level nature-related risk assessments using the LEAP (Locate, Evaluate, Assess, Prepare) approach further strengthening our ability to identify, assess, and manage nature-related financial risks across our investment portfolio.

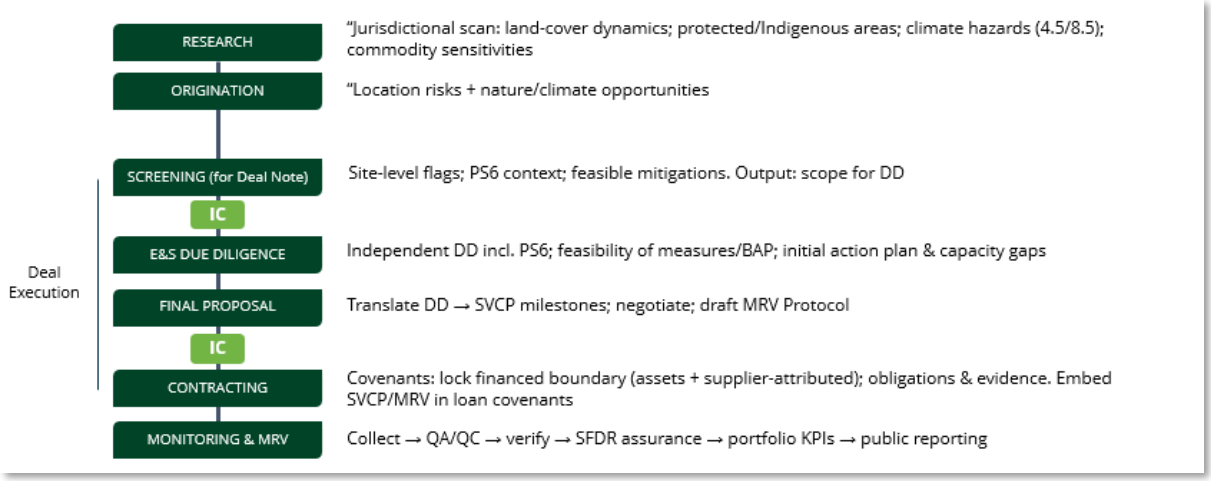


Figure 3. Nature & climate risks and impacts: integration into the investment process.

3.3 Deal-level management

We use the Sustainable Value Creation Plan (SVCP), as the primary vehicle to manage both climate and nature risks, translating due-diligence findings into binding, time-bound milestones and evidential requirements. Where material risks are identified, SVCP milestones may require supplier traceability and management, natural ecosystem protection and restoration, water stewardship, and climate adaptation measures, each with defined owners, timelines, and verification.

SAIL manages climate-related risks through a structured approach that varies by investment based on climate risk materiality and borrower circumstances. Following third-party ESDD climate risk assessments during due diligence, we work with investees to develop appropriate climate risk

management measures as part of their Sustainable Value Creation Plans (SVCPs), which become binding loan covenants.

Where material climate risks are identified, our management process may require borrowers to conduct detailed climate risk assessments covering both physical risks (extreme weather, water stress, temperature changes) and transition risks (regulatory changes, market shifts) affecting their operations and supply chains. Based on these assessments, investees develop climate adaptation and resilience plans with specific measures, timelines, and performance indicators tailored to their business context and risk exposure.

Climate risk management is implemented through loan covenant structures that may mandate: completion of climate risk assessments within specified timeframes, implementation of adaptation measures according to agreed milestones, annual independent verification of progress, and ongoing reporting of climate performance indicators. These requirements are integrated with our IFC Performance Standards compliance obligations where applicable, ensuring appropriate climate risk management across borrower operations.

3.4 Portfolio level management

We monitor climate risk management effectiveness through regular covenant compliance tracking, verification reports where required, and ongoing portfolio risk assessment. Non-compliance triggers escalation procedures including enhanced engagement, additional technical assistance, or covenant enforcement actions where necessary. This approach ensures climate and nature risks are actively managed at the borrower level while maintaining our oversight responsibility as lender.

3.5 Processes for identifying, assessing, and managing climate-related risks and integrated into the organisation's overall risk management

Climate and nature analytics are embedded in &Green's enterprise risk cycle. Independent ESDD validates screening hypotheses and informs IC decisions; material items are translated into SVCP milestones and loan covenants that define the financed boundary, evidence requirements, and escalation triggers. Post-commitment, milestone delivery and residual risk are reported on a set cadence, with exceptions tabled to the Investment Committee. After commitment, milestone delivery is reported to management as part of Quarterly Valuation.

Integration with the broader risk framework includes:

- **Escalation ladder.** Return-for-correction → targeted site checks → covenant step-ups → IC review/suspension, tied to verified evidence gaps, non-delivery, or reversal risks.
- **Three lines of defense.** Deal teams own delivery; the Sustainability Team sets methods, QA/QC, and portfolio views; independent verifiers and the assurance provider test evidence and controls.
- **Data, controls, and assurance.** Public KPIs reconcile to an assured dataset with version control, overlap checks, and a restatement policy; method changes are logged; coverage and confidence flags are disclosed.

- **Feedback to strategy.** Portfolio risk dashboards inform pipeline steering, pricing, reserves, and technical-assistance deployment; recurring findings drive updates to exclusion screens and eligibility rules.

This linkage ensures risk identification (scenarios and LEAP), assessment (materiality and financed-boundary tests), and management (SVCP/covenants, monitoring, escalation) operate as one process across origination, portfolio management, and disclosure.

4. METRICS AND TARGETS

This section reports &Green's nature and climate indicators for 2025 reporting period within the financed boundary defined in SVCP covenants and deal-specific MRV Protocols. Metrics are selected to inform risk and opportunity management (TCFD/TNFD) and to evidence real-world performance. We present portfolio totals consolidated after overlap checks, alongside coverage and data-quality flags (Verified, Reported, Proxy). Nature indicators include ecosystem protection and resilience measures; climate indicators include an impact metric (Climate Benefits) reported separately from corporate GHG inventories used for financed-emissions accounting. Methods, counting rules, and dataset versions are summarised and stored, and public figures reconcile to an assured dataset with a defined restatement policy. Any use of proxies, estimation approaches, or scope limitations is disclosed with planned upgrades to coverage and data quality.

Metric type	Examples in this report
Exposure	SVCP area, biome/ecosystem exposure, sensitive locations
Impact / dependency	deforestation, ecosystem conversion, water stress, restoration, species habitat
Response / transition	NDPE coverage, traceability, SVCP milestones delivery, verification status
Climate-nature link	carbon stock, climate benefits, financed emissions, land-use change emissions

4.1 Forests protected within the &Green's investees commitments under SVCP

Forest protection is a crucial strategy for preserving biodiversity and ecosystem services, and this is the major positive impact of our investments. To assess how well we are doing in preserving and reviving forests, &Green keeps track of the area of natural forests and peatlands that are being conserved or brought back to life as part of our investees' commitments under the Sustainable Value Creation Plans (SVCPs).

To define a forest, we use the national definition adopted by each jurisdiction based on their Forest Reference Emission Level (FREL). Typically, this national definition aligns with the internationally agreed-upon definition used by the Food and Agriculture Organization (FAO) and the United Nations Framework Convention on Climate Change (UNFCCC). According to this definition, a forest is land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use.

National governments may adjust this definition to suit local conditions, for example, including or excluding plantations. &Green focuses on natural forests, irreplaceable for biodiversity and ecosystem services, omitting tree plantations (see Box 1).

Our Landscape Protection Plans protected around 3,422,660 million hectares of tropical forests in 2025. Around 48% of these forests are primary, or undisturbed.

&GREEN'S UNDERSTANDING OF NATURAL FOREST (Box 1)

&Green relies on the Accountability Framework Initiative to define natural forest.

A natural forest is a natural ecosystem which possesses many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests include:

Primary forests that have not been subject to major human impacts in recent history.

Regenerated (second-growth) forests that were subject to major impacts in the past, but where the main causes of impact have ceased or diminished, and the ecosystem has regained much of the species composition, structure, and ecological functions similar to its state before the impact or those of other contemporary natural systems.

Managed natural forests where much of the ecosystem's composition, structure, and ecological function exist.

Forests that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate

change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.

Our protected forests are distributed in the following terrestrial ecosystems, or biomes, over the globe:

• Tropical/Subtropical lowland rainforests: 181,916 hectares.

90% of this ecosystem occurs in Mato Grosso state, in the MBRF (formerly Marfrig) supply chain. This ecosystem is home to a wide variety of species, each finding its place within a layered structure of plant life. The dense forest canopies keep the soil moist and full of leaf litter, which fungi and bacteria break down. Invertebrates thrive throughout the forest, supporting many vertebrate species, especially mammals and birds, which are key for spreading seeds and pollinating plants. Near the equator, the climate is stable and humid all year, while subtropical areas have more seasonal changes with mild winter frosts. These forests are known for their complex structure and high productivity, supporting a rich diversity of plants and animals and maintaining intricate food webs.

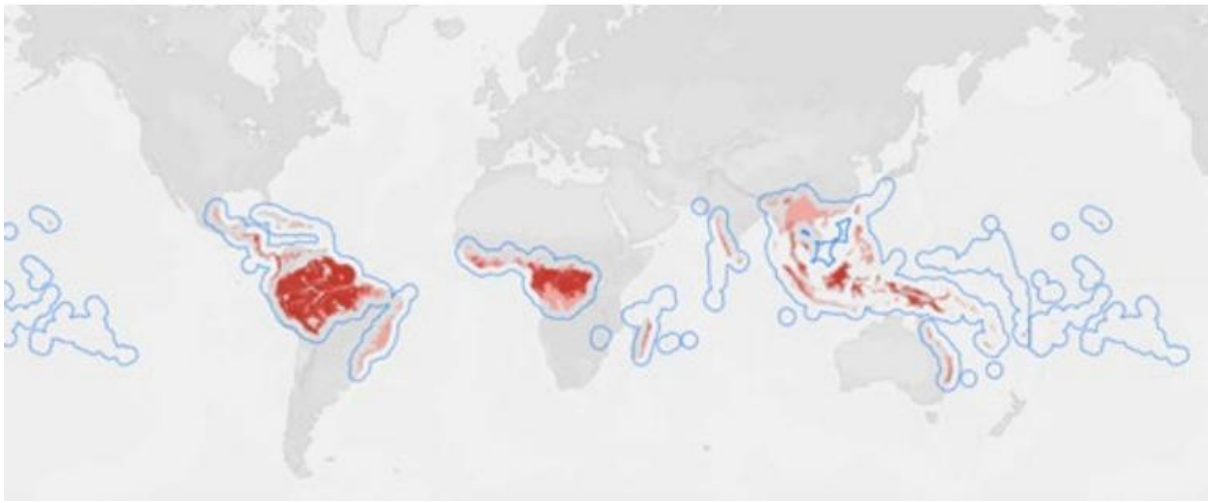


Figure 4. Distribution of tropical/subtropical lowland land forests.

• Tropical/Subtropical dry forests and thickets: 1,869,567 hectares.

All of the &Green landscapes within this ecosystem occur in Mato Grosso, Brazil. Tropical-subtropical dry forests and thickets have fertile soil and experience seasonal dryness. The forests have a mix of evergreen and drought-deciduous trees, many vines, and fewer epiphytes, ferns, and mosses due to the dry season. These forests often have trees that lose their leaves during dry seasons. Plant growth is seasonal, limited by water availability. While overall biodiversity is lower than in some other forests, tree and vertebrate diversity is high. Grasses are rare, except near savannas, due to tree shading and water competition. The food webs include many herbivores, fruit-eaters, and carnivores. Most nutrients are stored in vegetation or cycled through litter. Trees have thin bark, low fire tolerance, and can grow in shaded areas. These forests adapt to seasonal drought and make use of available moisture, with new growth occurring in tree-fall gaps. They may interact with savannas in fire-regulated ecosystems.

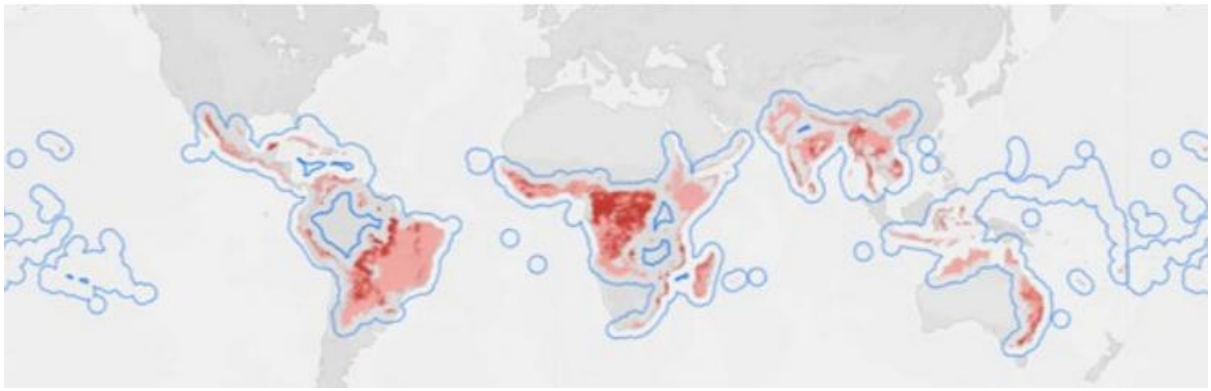


Figure 5. Tropical/Subtropical dry forests and thickets.

• Tropical heath forests: 1,243 hectares.

This ecosystem is represented in the DSNG landscapes that covered with &Green's SVCPs. These unique forests, found mainly in Amazonia and Southeast Asia, grow on less fertile, acidic sandy soils. They have dense clusters of low, slender trees that let light reach the moss-covered forest floor. Compared to other tropical forests, they have lower productivity and simpler food webs, with fewer plant and animal species, including amphibians and reptiles. The trees, usually 5-20 meters tall, have thin stems and small, leathery leaves that grow vertically, allowing more light to penetrate. Adaptations like insect-eating plants and nitrogen-fixing microbes are common. While the diversity of species is low, there is high dominance and endemism. The forest floor is sparse, mostly covered by insectivorous plants and mosses, with many epiphytes but few lianas.

Figure 6. Distribution of tropical heath forests

• **Tropical flooded forests and peat forests[2] : 443,649 hectares**.

All of the &Green landscapes within this ecosystem occur in Mato Grosso, Brazil. These tropical swamps have closed canopies, high rainfall, and consistent temperatures year-round. Some have peat in black water, while others are nutrient-rich white-water systems. Trees, palms, pitcher plants, mosses, and ferns grow in waterlogged or periodically flooded soils. These swamps have high biomass and evergreen canopies with unseasonal growth. Productivity is high in whitewater systems and low in black-water systems. Trees adapt to low-oxygen soils with special roots. Palms and hydrophytes are common, while lianas and grasses are rare. These swamps have low species diversity but some unique species. The ecosystem is structured by water levels and includes birds, primates, amphibians, macroinvertebrates, and crocodiles. Plants spread by water or animals, and new growth occurs after treefall, storms, or floods.

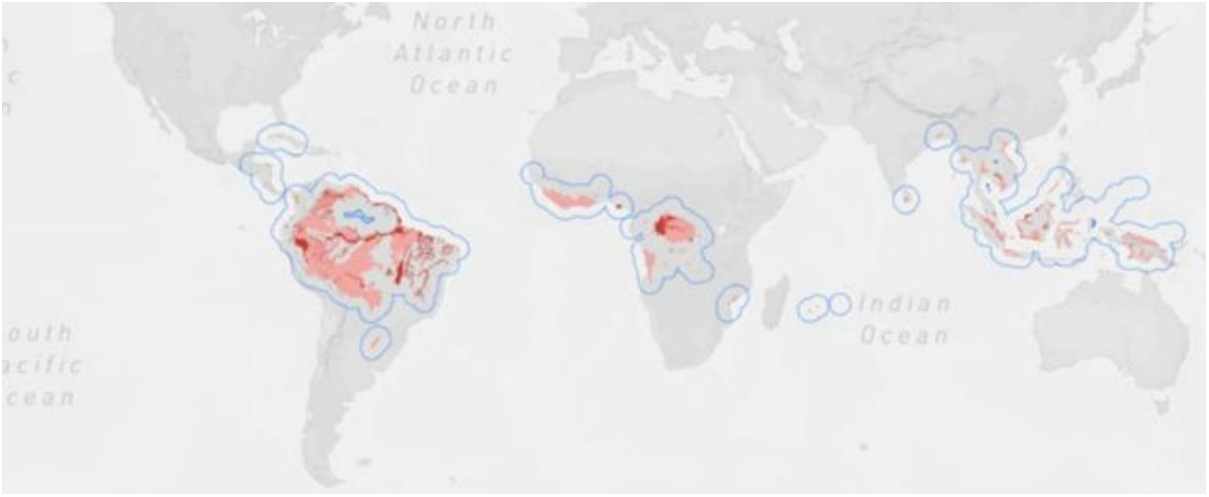


Figure 7. Tropical flooded forests and peat forests.

4.2 Brazil: Amazon and Cerrado Biomes

In Brazil, &Green's landscapes are present in two important biomes - Amazon Rainforest, the most biodiverse biome in the world, and Cerrado, the most biodiverse tropical savanna in the world.

Amazon Biome: 1,612,827 hectares

The Brazilian Amazon biome is a vast tropical rainforest with high biodiversity. It features dense canopies, tall trees, and a complex ecosystem with a wide variety of plants and animals. The climate is hot and humid year-round with significant rainfall. The forest plays a crucial role in global carbon storage and climate regulation. It supports numerous species, including many that are endemic and some that are endangered. Human activities like deforestation and mining pose significant threats to this biome, impacting its ecological balance and biodiversity. It hosts an incredibly rich variety of plant and animal species, many of which are endemic.

Cerrado Biome: 1,644,658 hectares

The Brazilian Cerrado biome is a vast tropical savanna characterized by a mix of grasslands, shrubs, and scattered trees. It experiences distinct wet and dry seasons, with periodic fires playing

[2] All &Green investees are committed to No Deforestation, No Development of Peatlands, and No Exploitation (NDPE).

a natural role in its ecosystem. The Cerrado is known for its high biodiversity and endemism, including various plant, bird, and mammal species. It is an important agricultural region but faces threats from extensive farming, cattle ranching, and deforestation. Conservation efforts are crucial to protect its unique flora and fauna and maintain the ecological balance.

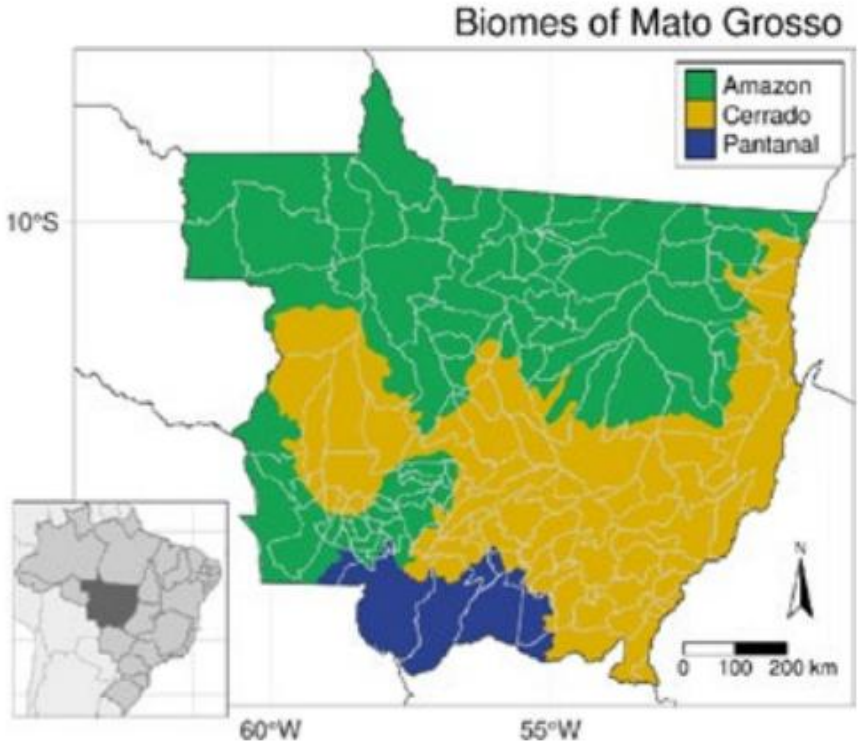


Figure 8. Distribution of Amazon and Cerrado biomes in Mato Grosso, Brazil.

4.3 Red List Species

The habitats safeguarded by &Green play a crucial role in preserving biodiversity. These landscapes are not only home to a wide variety of flora and fauna but also provide essential support for the survival of numerous species listed on the Red List. By protecting these vital ecosystems, &Green ensures the conservation of species that are at risk of extinction, highlighting the importance of its investment in maintaining and enhancing global biodiversity. &Green tracks the number of threatened species within its landscapes using the IUCN Red List, the world's most comprehensive information source on the global extinction risk status of animal, fungus and plant species.

Critically Endangered: 17

The species faces an extremely high risk of extinction in the wild in the immediate future.

Endangered: 37

The species faces a very high risk of extinction in the wild in the near future.

Vulnerable: 77

The species faces a high risk of extinction in the wild in the medium-term future.

4.4 Physical climate risk exposure

As a corporate loan provider, these standardized climate risk metrics are designed for asset managers with diversified equity and bond portfolios rather than direct lending operations. Our business model involves providing secured loans to individual companies, making portfolio-level climate metrics less applicable than deal-specific assessments.

We conduct granular climate risk evaluations for each investment through mandatory climate hazard assessments, focusing on individual investee vulnerabilities and adaptation measures rather than aggregate portfolio metrics. Our climate performance tracking centres on loan covenant compliance, measuring specific adaptation milestones and implementation progress.

This approach provides more meaningful information for our direct lending model than attempting to apply asset management metrics. We may develop loan-portfolio specific climate indicators as industry best practices evolve for the private credit sector.

Physical Climate risk hazards exposure at portfolio level, IPCC 4.5

Using Climate Risk Services and its CERO tool, we systematically map physical climate risks across our investment portfolio. By utilizing investee-level shapefile data as spatial inputs, we overlay facility and asset locations onto climate projection models based on the IPCC's 4.5 scenario pathway. This approach enables us to quantify exposure to various physical hazards, including flooding, drought, heat stress, and extreme weather events.

Figure 9 9. Mapping of physical climate risk hazards across the portfolio. Source: CERO.

Using CERO's proprietary methodology, we evaluate transition risk across our portfolio by assessing the climate policy and regulatory landscape at the jurisdictional level. Transition risk is analysed through a fair share methodology, which establishes equitable emissions reduction pathways based on each jurisdiction's capacity and responsibility. By mapping our investees' geographic footprints against jurisdictional 2030 climate scenarios and their fair share

commitments, we evaluate the policy intensity and implementation risks our portfolio companies face. This approach allows us to identify which jurisdictions are on track with their climate targets, which face policy acceleration or tightening, and where regulatory and market shifts may create stranded asset risks or competitive disadvantages.

Figure 10 10. Mapping of Transition risk across &Green's portfolio, considering 2030 fair share climate goals. Source: CERO.

4.5 Total emissions, at portfolio level

Total emissions (tCO2e) represent the sum of Scope 1 and Scope 2 and, where known and material, Scope 3 of investees within the financed boundary for the reporting period, presented on a gross basis (no offsets) and reconciled to the assured dataset.

SCOPE 1	SCOPE 2	SCOPE 3
2.005.465 (tCO2e)	397.619 (tCO2e)	67.868.227 (tCO2e)

4.6 Financed emissions, portfolio level

We calculate financed emissions in line with PCAF using an attribution factor based on Average Outstanding Amount divided by Total Assets, a proxy applied because most investees are not publicly listed and do not have market EVIC values. The inventory includes Scope 1 and Scope 2 for all covered investees and Scope 3 where known and material. Please see table below*.

Total financed emissions: 190.766 tCO_2e

Investee	Total scope 1 tCO2e	Total Scope 2 tCO2e	Total scope 3 tCO2e	Financed Emissions, tCO2e
FS	34.629	151	2.056.277	27.868
MBRF	650.117	369.964	65.750.290	80.878
ETG	147,544	42,661	5.494	34
DSNG	1.182.568	27.483	55.312	35.644
Phuc Sinh	138.151	21	854	46.342
Total	**2.005.465**	**397.619**	**67.868.227**	**190.766**

*GHG emissions data presented in this analysis was sourced from individual borrowers' publicly available websites and sustainability disclosures. As these borrowers apply different reporting methodologies and frameworks, the comparability and accuracy of the aggregated data may be affected. We are currently working to standardize and streamline borrower-level emissions data going forward.