Climate Asset Management

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WEBSITE PRODUCT DISCLOSURE – ARTICLE 10 SFDR (FOR ARTICLE 9 PRODUCT)

Product name: Climate Asset Management - Natural Capital Fund (Side Car) SCSp

Legal Identifier:

Summary	Financial Product: Climate Asset Management - Natural Capital Fund (Side Car) SCSp ("**NCF**" or the "**Fund**"). NCF's investment strategy is a 15+ year closed-ended, real asset approach predominantly investing in long-dated sustainable agriculture and forestry projects in developed markets. NCF seeks to invest in natural capital assets that contribute to one or more of the following environmental objectives: • Protect and restore biodiversity and ecosystem services; • Reduce greenhouse gas emissions; • Increase the climate resilience of assets; • Reduce energy, water and chemical inputs; • Produce crops and timber sustainably. NCF measures the attainment of these objectives, whilst seeking to ensure that the Fund does not significantly harm any environmental or social sustainable investment objectives, in each case by reference to certain sustainability indicators. NCF operates an ESG and Impact Management System ("**ESGI MS**"), established to: (i) identify and manage material ESG risks, and (ii) select and manage investments to achieve sustainable objectives in accordance with NCF's Impact Measurement and Management ("**IMM**") Framework, part of the overall ESGI MS. Several processes are in place through the Fund's ESGI MS, including, but not limited to, norm-based exclusions, ESG risk and impact screening, as well as individual investment criteria and fund objective scorecards to ensure that each investment qualifies as meeting the sustainable investment objectives. Certain principle adverse indicators on sustainability factors are also considered during the due diligence and investment selection process. These procedures are binding and are used to select investments to attain NCF's environmental objectives. The procedures are applied throughout the investment cycle, from investment selection and management through to eventual exit. NCF actively monitors the achievement of its environmental objectives through ongoing monitoring of delivery partners performance through structured reporting, monitoring and site visits. It is expected that at least 90% of investments made by NCF will be considered sustainable investments under the criteria and procedures the Fund applies and as defined by Article 2(17) SFDR. The significant majority of such investments are expected to be in sustainable agriculture and/or sustainable forestry assets/projects. NCF regularly reviews the methodologies and data it uses to assess and monitor the attainment of the environmental objectives and continuously seeks to improve the way that these are applied. *Please refer to Annex I of this document to see translations of this "Summary" section in languages of Member States of the European Economic Area*

	inwhich the Fund is made available. Please note that, in the event of any conflict or inconsistency between the above English language version of this "Summary" section and such translated versions, the English version shall prevail.
No significant harm to the sustainable investment objective	Several mechanisms are in place with the aim of ensuring NCF's investments do not significantly harm any environmental or social sustainable investment objectives through the Fund's ESGI Management System. These include: • An exclusion list (norm based) outlining certain activities NCF will not invest in; • ESG due diligence carried out by investment teams for all investment opportunities supported by internal ESG resources and third party experts; • Implementation of mitigation and/or management plans covering sustainability objectives at the asset level; • Incorporating contractual clauses covering delivery partner ESG performance; • Monitoring of delivery partners' performance via regular reporting, remote monitoring, site visits and third party assessments; • Prioritising sustainability topics at management meetings with delivery partners; and • Implementing corrective actions based on monitoring results to rectify issues or to identify opportunities to optimise ESG performance further. Indicators for potential adverse impacts, including those included in Annex 1 and a select number of those in Annexes 2 and 3 of the Regulatory Technical Standards (RTS), are taken into account through: 1. Assessment of potential material ESG risks and impacts for all investments prior to final investment decision; 2. Developing management plans for relevant adverse impacts at the asset level; 3. Monitoring, reporting and verification (**"MRV"**) of asset and delivery partners' performance via site visits, remote monitoring techniques, structured reporting and periodic independent third party assessments; and 4. Implementing corrective actions in response to incidents or results from the MRV processes. Investments are expected to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This is achieved through screening of all investment opportunities for ESGI risks and impacts including those outlined within these guidelines and subsequently monitoring throughout the lifetime of the investment. As outlined previously, NCF assesses that delivery partners' policies and management procedures are consistent and align with these standards, as well as including these within contractual agreements.
Sustainable investment objective of the financial product	NCF's seeks to invest in natural capital assets that contribute to the following environmental objectives: • Protecting and restoring biodiversity and ecosystem services; • Reducing greenhouse gas emissions; • Increasing the climate resilience of landscapes;

	• Reducing energy, water and chemical inputs; • Producing crops and timber sustainably. Each investment made by NCF is currently expected to align with one or more of these environmental objectives.
Investment strategy	NCF's investment strategy is a 15+ year closed-ended, real asset approach predominantly investing in long-dated sustainable agriculture and forestry projects in developed markets. The strategy also includes potential investment in environmental assets that generate their income from payment for ecosystem services (**"PES"**) schemes, such as carbon sequestration or biodiversity improvement. NCF contracts with delivery partners, in-country specialist organisations to manage assets on the ground. NCF seeks to ensure that good corporate governance practices are present in delivery partners during the due diligence phase in order to be confident that interests are aligned and that robust organisational structures are in place. Further, all delivery partners are contractually required to comply with Climate Asset Management's Supplier Code of Conduct which includes certain practices designed to support and achieve good governance.
Proportion of investments	NCF expects at least 90% of investments to comprise sustainable investments pursuant to Article 2(17) of SFDR. Up to a remaining 10% may be allocated to potential ancillary investments (i.e. derivatives (in connection with commodity price, interest rate and/or foreign exchange rate hedging for the purpose of prudent portfolio management) and/or temporary liquid assets such as bank deposits) in furtherance of and consistent with NCF's sustainable investment objectives. Within the allocation of 'sustainable' investments, the significant majority is expected to comprise sustainable agriculture and/or sustainable forestry assets/projects, and no more than 10% of investor commitments is expected to be invested in environmental assets.
Monitoring of the sustainable investment objective	NCF's proprietary IMM Framework provides the basis for monitoring the attainment of the sustainable investment objective. For each investment, once a comprehensive due diligence process has been completed, a baseline is established across the four impact categories underpinning the IMM Framework: (i) biodiversity; (ii) climate; (iii) water; and (iv) community. Each investment opportunity is (i) screened against minimum investment level criteria in each of these categories; and (ii) scored against the overall fund objectives in each category in order that investments are selected to achieve the overall investment strategy, which are then monitored on an ongoing basis. In particular, the ESG and IMM Framework are used to capture and integrate ESG risks and opportunities into the business plan for each asset ("**Sustainability Plan**"). Each Sustainability Plan provides the detail of the MRV programme that is implemented comprising structured reporting from the delivery partner at regular intervals, site visits and periodic third party audits of progress towards the targets during the investment holding period. Measurement of NCF's achievements against its environmental objectives is tracked via indicators selected for each asset, that are relevant to the impact goals for the asset and for the NCF portfolio. Note that natural capital investments often require a number of years to achieve the sustainable

	outcomes and as such, improvements on an annual basis are not necessarily discernible.
Methodologies	NCF's proprietary IMM Framework is underpinned by certain leading international natural capital methodologies, measuring impact via sustainability indicators across the four impact categories listed in (i) – (iv) above under "Monitoring of Sustainable Investment Objective". To qualify for an investment to be considered by NCF's Investment Committee the following binding elements are to be met: 1. None of the investment activities trigger NCF's Excluded Investment Activities List; 2. All investments have undergone ESG screening and assessment in accordance with the requirements and standards outlined in CAM's Responsible Investment Policy, implemented through the ESGI Management System; 3. Have met the minimum individual investment criteria and passed the fund objectives scorecard to qualify as attaining the sustainable investment objectives. The investment process is governed by the NCF Investment Committee who review investment opportunities, and once an investment is made, are kept updated via the fund's monitoring, reporting and verification (MRV) processes
Data sources and processing	Data is obtained from delivery partners and third-party surveys, completed prior to asset acquisition and periodically throughout the investment holding period. All data is verified by internal ESG resources with the support of technical experts as necessary, and reports are periodically reviewed by third party assurance providers. The majority of data acquired is measured and as such only a small proportion of data obtained is expected to be estimated. The principal example of this is the use of remote sensing to monitor activities in between periods of on site surveys.
Limitations to methodologies and data	No material limitations to the methodologies and data are expected, save that by virtue of its investment strategy the Fund relies on timely delivery of suitable and accurate data from other parties, notably delivery partners. It should also be noted that natural capital assessment methodologies are an emerging topic; whilst NCF's approach is underpinned by leading methodologies, developments and wider formalisation of the sector are likely to occur as the market matures, including in emerging certification and credit schemes.
Due diligence	NCF operates an ESG and Impact Management System (ESGI MS), established to: (i) identify and manage material ESG risks, and (ii) select and manage investments to achieve sustainable objectives in accordance with NCF's Impact Measurement and Management (IMM) Framework, part of the overall ESGI MS.

	All investment opportunities must undergo a comprehensive ESG and Impact due diligence as governed and articulated in Climate Asset Management's Responsible Investment Policy. The due diligence is a three stage process: • **Screening**: Initial screening of investment opportunities is carried out to identify potential material ESG risks and opportunities for positive environmental and social impacts. Where potential material ESG risks are present, either the investment opportunity is discontinued or further assessment requirements are identified for detailed due diligence; • **Detailed ESG and Impact due diligence:** If the investment opportunity is pursued further, a detailed due diligence is undertaken with support of third-party experts required to demonstrate that the material ESG risks can be avoided or mitigated in line with CAM's ESG and Impact Framework, as detailed in the firm's Responsible Investment Policy; • **ESGI Action Plan:** On the basis of the due diligence findings, an investment recommendation or decision is made in the context of the ESG and Impact profile as well as other commercial and technical criteria. Where a positive decision is taken, the relevant ESGI Action Plans are created and included within the investment agreements. Climate Asset Management's ESGI Team supports NCF's investment team and third parties to undertake the due diligence in accordance with Climate Asset Management's Responsible Investment Policy. NCF's investment committee reviews all investment opportunities prior to a recommendation to invest being made. Principal adverse indicators on sustainability factors for the Fund are considered during the investment due diligence and selection process and subsequently monitored for the lifetime of the investment. NCF's ESGI due diligence processes are externally reviewed periodically as part of auditing of annual reports.
Engagement policies	NCF does not invest in shares that are admitted to trading on a regulated market, hence the manager is not required to have an engagement policy. NCF adopts an active ownership approach to all its investments, which it considers critical to managing risks, realising positive environmental and social impacts and seeking to create returns for its investors. Through regular engagement, support and monitoring, sustainability risks and impacts are tracked throughout the investment holding period and corrective actions implemented where these fall short or where there are opportunities to optimise these further. Results are reported at regular intervals to investors and external stakeholders as required.
Attainment of the sustainable investment objective	As no benchmarks exist to measure attainment of sustainable investment objectives for natural capital, no index has been designated as a reference benchmark for NCF investments or portfolio. Each environmental objective is considered to be attained through NCF's investment strategy and ESGI Management System, applying the abovementioned indicators.

Annex I

Translations of the Summary Section

Translations of the Article 10 Summary are are presented in the following order:

- French

Synthèse	Produit financier : Climate Asset Management - Natural Capital Fund (Side Car) SCSp (le «**NCF**» ou le «**Fonds**»). La stratégie d'investissement du NCF consiste en une approche fermée d'actifs immobiliers de plus de 15 ans investissant principalement dans des projets d'agriculture et de sylviculture durables à long terme sur les marchés développés. Le NCF vise à investir dans des actifs de capital naturel qui contribuent à l'un ou plusieurs des objectifs environnementaux suivants : • protéger et restaurer la biodiversité et les services écosystémiques ; • réduire les émissions de gaz à effet de serre ; • accroître la résilience climatique des actifs ; • réduire les intrants énergétiques, hydriques et chimiques ; • produire des cultures et du bois de manière durable. Le NCF mesure la réalisation de ces objectifs, tout en cherchant à s'assurer que le Fonds ne porte pas atteinte de manière significative à des objectifs d'investissement durable pour l'environnement ou la société, dans chaque cas au regard de certains indicateurs de durabilité. Le NCF exploite un système de gestion de l'impact et de l'ESG («**ESGI MS**»), mis en place pour : (i) identifier et gérer les risques ESG importants, et (ii) sélectionner et gérer les investissements afin d'atteindre des objectifs durables conformément au cadre d'évaluation et de gestion de l'impact du NCF («**IMM**»), qui fait partie de l'ESGI MS dans son ensemble. Plusieurs processus ont été mis en place par le biais de l'EM ESGI du Fonds, notamment, sans s'y limiter, les exclusions normatives, le filtrage des risques et de l'impact ESG, ainsi que les critères d'investissement individuels et les tableaux de bord objectifs du fonds afin de s'assurer que chaque investissement répond aux objectifs d'investissement durable. Certains indicateurs défavorables de principe sur les facteurs de durabilité sont également pris en compte dans le cadre du processus de due diligence et de sélection des investissements. Ces procédures sont contraignantes et permettent de sélectionner les investissements qui atteindront les objectifs environnementaux du NCF. Les procédures sont appliquées tout au long du cycle d'investissement, depuis la sélection et la gestion des investissements jusqu'à la sortie éventuelle. Le NCF surveille activement la réalisation de ces objectifs environnementaux, par le biais d'un suivi continu du rendement des partenaires de prestation, au moyen de rapports structurés, d'une surveillance et de visites sur place. On s'attend à ce qu'au moins 90 % des investissements réalisés par le NCF soient considérés comme des investissements durables selon les critères et

procédures que le Fonds applique et tels que définis par l'article 2, paragraphe 17 du règlement SFDR. La grande majorité de ces investissements devraient porter sur l'agriculture durable et/ou les actifs/projets forestiers durables.

Le NCF révise régulièrement les méthodes et les données qu'il utilise pour évaluer et surveiller la réalisation des objectifs environnementaux, et cherche continuellement à améliorer la façon dont ceux-ci sont appliqués.

Date:	Purpose:
07/02/2026	Initial publication