

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

Product name: Carbon Nature SCSp (the “Fund”)

Legal Identifier: 9845006802ECCEKE4997

Summary

Financial Product: Carbon Nature SCSp (“CNF” or the “Fund”).

CNF’s investment strategy is a 15-year closed-ended, real asset approach predominantly investing long-dated sustainable agriculture, forestry and environmental asset projects in developed markets and nature-based solution projects in emerging markets. Sustainable agriculture and nature-based solutions projects will form the majority of the Fund’s allocation.

CNF contributes to the following environmental objectives per investment theme:

- Sustainable agriculture, forestry and environmental asset projects that reduce greenhouse gas emissions; protect and restore biodiversity ecosystem services; increase climate resilience of assets; reduce energy, water and chemical inputs; produce crops and timber sustainably.
- Nature-based solutions projects that contribute to the removal or avoidance of greenhouse gas emissions; enhance the climate resilience of landscapes; protect and restore biodiversity and ecosystem services; restore soil health and improve food security; enhance and restore water filtration and flood buffering; avoid leakage through adopting a landscape approach.

CNF 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.

CNF 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 the outlined sustainable objectives, 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 objectives screening 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 CNF’s environmental objectives.

The procedures are applied throughout the investment cycle, from investment selection and management through to eventual exit (where relevant). CNF 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 100% of investments made by CNF 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 nature-based carbon projects.

CNF 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.

No significant harm to the sustainable investment objective

Several mechanisms are in place with the aim of ensuring CNF's investments do not significantly harm any environmental or social sustainable investment objectives through the Fund's ESGI Management System. These include:

- None of the investment activities trigger CNF's Excluded Investment Activities List;
- ESG due diligence carried out by investment teams for all investment opportunities supported by internal ESG resources and third party experts;
- 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;
- All investments have met the minimum individual investment criteria and passed the fund objectives scorecard to qualify;
- as attaining the sustainable investment objectives;
- Implementation of mitigation and/or management plans covering sustainability objectives at the asset level;
- Incorporating contractual clauses covering delivery partners ESG performance obligations; and
- Ongoing monitoring of delivery partners performance from due diligence through to exit via regular reporting, remote monitoring, site visits and third party assessments in order to prioritise sustainability topics at management meetings with delivery partners and implement corrective actions, as relevant, in order to rectify any issues or 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 ESG risks and impact-related risks and impacts including those outlined within these guidelines and subsequently monitoring on an ongoing basis throughout the lifetime of the investment. As outlined previously, CNF assesses that delivery partners' policies and management

	<p>procedures are consistent and align with these standards, as well as including these within contractual agreements.</p>
<p>Sustainable investment objective of the financial product</p>	<p>CNF seeks to invest in natural capital assets and nature-based solutions projects that contribute to the following environmental objectives:</p> <ul style="list-style-type: none"> • Sustainable agriculture, forestry and environmental asset projects that reduce greenhouse gas emissions; protect and restore biodiversity and ecosystem services; increase climate resilience of assets; reduce energy, water and chemical inputs; produce crops and timber sustainably. • Nature-based solutions projects that contribute to the removal or avoidance of greenhouse gas emissions; enhance the climate resilience of landscapes; protect and restore biodiversity and ecosystem services; restore soil health and improve food security; enhance and restore water filtration and flood buffering; avoid leakage through adopting a landscape approach. <p>Each investment made by CNF is currently expected to align with one or more of these environmental objectives.</p>
<p>Investment strategy</p>	<p>CNF's investment strategy is a 15-year closed-ended, real asset approach predominantly investing in long-dated sustainable agriculture, forestry and environmental assets in developed markets and nature based solutions projects in emerging markets.</p> <p>CNF contracts with delivery partners, in-country specialist organisations to manage assets on the ground. CNF 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.</p>
<p>Proportion of investments</p>	<p>CNF expects at least 100% of investments to comprise sustainable investments pursuant to Article 2(17) of SFDR. The Fund may use derivatives in connection with commodity price, interest rate and/or foreign exchange rate hedging for the purposes of prudent portfolio management. This is not intended for investment purposes.</p> <p>Within the allocation of 'sustainable' investments, this will comprise sustainable agriculture, forestry, environmental assets and nature-based solutions projects.</p>
<p>Monitoring of the sustainable investment objective</p>	<p>CNF's ESGI Management System provides the basis for monitoring the attainment of the sustainable investment objective. Impact objectives are defined across four impact categories of (i) climate (ii) biodiversity (iii) water and (iv) community. For each investment, once a comprehensive due diligence process has been completed, a baseline is established, objectives set and then tracked and reported on throughout the investment holding period. Each investment opportunity is screened against investment level criteria and the Fund's objectives in order that investments are selected to achieve the overall investment strategy and then monitored on an ongoing basis.</p> <p>Measurement of CNF's achievements against its environmental objectives is tracked via indicators selected at the Fund and asset level, that are relevant to the impact goals for the asset and for the CNF portfolio. Note that long dated</p>

sustainable agriculture and nature-based carbon projects often require a number of years to achieve the sustainable outcomes and as such, improvements on an annual basis are not necessarily discernible.

Methodologies

CNF's ESGI Management System is underpinned by certain leading international natural capital methodologies, measuring impact via sustainability indicators across impact categories of (i) climate (ii) biodiversity (iii) water and (iv) community.

To qualify for an investment to be considered by CNF's Investment Committee the following binding elements are to be met:

1. None of the investment activities trigger CNF'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 review to qualify as attaining the sustainable investment objectives.

The investment process is governed by the CNF 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.

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 and nature-based solutions assessment methodologies are an emerging topic; whilst CNF'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. Finally, natural capital and nature-based solutions projects are long-lived and some of the sustainable investment objectives achieved over a long time horizon (10+ years). As such, annual reporting for certain indicators will not show significant annual variation.

Due diligence

CNF 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, 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 CNF's investment team and third parties to undertake the due diligence in accordance with Climate Asset Management's Responsible Investment Policy. CNF'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.

Engagement policies

CNF 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. CNF adopts an active stewardship 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 CNF investments or portfolio. Each environmental objective is considered to be attained through CNF's investment strategy and ESGI Management System, applying the abovementioned indicators.
