

Sustainability-related disclosures

Product name: 12Tree Sustainable Agroforestry 2017 Feeder Fund FCP-RAIF – Sub-Fund I

Legal entity identifier (LEI-Code): 52990053MFDH11ZKF995

Summary

In its target investments, the Sub-Fund also takes into account environmental and social characteristics within the meaning of "Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector" ("Disclosure Regulation") and is therefore classified as Article 8 of Regulation (EU) 2019/2088. Furthermore, the Sub-Fund takes into account principles of sustainable corporate governance. In addition to the classic economic criteria for agroforestry projects, which are primarily specified by return-oriented investors, important additional characteristics are added for so-called sustainable, return-oriented agroforestry projects.

In accordance with the general investment objective and investment policy the sole purpose of the Sub-Fund is to provide attractive risk-adjusted returns by holding directly or indirectly interests in 12Tree Sustainable Agroforestry Fund 2017 SCS, FIAR (the Master Fund). The Master-Fund invests primarily in assets based on sustainability considerations. The term sustainability is defined by ecological and social criteria as well as good corporate governance. The sustainable orientation of the Sub-Fund was achieved in particular by taking into account various sustainability factors. Sustainability factors are understood to include environmental, social and employee concerns, respect for human rights as well as anti-corruption and anti-bribery.

The central objective of the Master Fund, and consequently of the Sub-Fund is to create social and environmental impact through economically successful agroforestry systems that are also thriving, resilient and highly productive ecosystems.

The achievement of the Sub-Fund's environmental and social characteristics is measured by the so-called Standard Operating Procedures (SOPs). The SOPs have been developed to guide, monitor, and assess the sustainability aspects of an investment during its lifetime and to increase the efficiency of our sustainability measures.

Data used to analyse assets is sourced at the farm level. For the assessment of the impact on ecology or the community, a qualitative approach is taken using data that goes beyond the operations of the assets.

The sustainable investment process is guided by leading national and international standards that serve as a benchmark for action (including the United Nations Principles for Responsible Investment (PRI), Global G.A.P, The Rainforest Alliance, etc.).

As part of the investment strategy, 12Tree GmbH as a responsible asset advisor, aims to build a respectful and cooperative relationship with neighbouring communities.

No benchmark has been identified to determine whether the Sub-Fund is aligned with the promoted environmental and/or social characteristics.

The assets are divided into two different categories. On the one hand the category "Aligned with E/S characteristics" includes investments of the financial product used to attain the

environmental or social characteristics promoted by the financial product. On the other hand the category "Other" includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

In its target investments, the Sub-Fund also takes into account environmental and social characteristics within the meaning of "Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector" ("Disclosure Regulation") and is therefore classified as Article 8 of Regulation (EU) 2019/2088. Furthermore, the Sub-Fund takes into account principles of sustainable corporate governance.

Achievement of environmental and social characteristics through outsourcing entities

Local Interaction and Inclusion

The investments should have a positive impact on the local economy and contribute to improving the living conditions of the local population. For this purpose, 12Tree GmbH provided training and technical know-how as well as access to markets to external small farmers.

Safe and Qualified Jobs

The investments should have a positive impact on safe and qualified jobs. Special attention was given to the advancement of women through the creation of appropriate, meaningful jobs for them. To achieve this characteristic, 12Tree GmbH places particular emphasis on the creation of permanent jobs with social security and access to health care.

Good Working Conditions

The investments should have a positive impact on the working conditions. Furthermore when workers from more distant areas needed to settle, care was taken to ensure that there are opportunities for family reunification. For this purpose, 12Tree GmbH has devoted special attention to staff turnover and accident rates.

Protecting and Enriching Biodiversity

The investments should have a positive impact on the biodiversity. Primary forests are valuable refuges of biodiversity. Even if they do not contribute to the short-term return on the investment, remaining primary forests or old secondary forests have a biological protective function for the growing permanent forests and thus secure the investment in the long term. The total area of all projects were not necessarily be fully cultivated, but depending on the location, the pillar allocation of the investments and the stage of the investment plan, protected zones remained or have been formed which, due to their high biodiversity, restore the natural biodiversity of a forest faster and better. To achieve these purposes, 12Tree GmbH places particular emphasis on the establishment and preservation of conservation areas as well as on external certifications.

Soil Health

The investments should have a positive impact on the health of soil. Besides forest management, essential crops include cocoa trees and other fruit trees, which counteracted soil erosion and leaching. In addition to a high proportion of soil organic matter, restoration measures contribute to a healthy soil.

Investment strategy

The investment strategy used to meet the environmental or social characteristics promoted by the financial product

The Sub-Fund invests primarily in assets based on sustainability considerations. The term sustainability is defined here by environmental and social criteria as well as good corporate governance. The sustainable orientation of the Sub-Fund was achieved in particular by taking into account various sustainability factors. Sustainability factors are understood to mean environmental, social and employee concerns, respect for human rights as well as anti-corruption and anti-bribery.

In accordance with the general investment objective and investment policy the sole purpose of the Sub-Fund is to provide attractive risk-adjusted returns by holding directly or indirectly interests in 12Tree Sustainable Agroforestry Fund 2017 SCS, FIAR (the Master Fund). The Master-Fund invests primarily in assets based on sustainability considerations. The central objective is to achieve social and environmental impacts through economically successful agroforestry systems that are also thriving, resilient and highly productive ecosystems.

In order to achieve the objective, 12Tree GmbH, in its capacity as Investment Advisor, has established a comprehensive sustainability framework that expresses the strategic commitment to sustainable development and forms the basis for the sustainability guidelines and progress measurements applied throughout the investment process and life cycle of each investment.

The core of the sustainability framework is the Theory of Change with its three key areas of sustainability: climate, community and biodiversity. These three pillars are inextricably linked, overlapping and mutually reinforcing. The approach is consistent with the methods used to review the social and environmental outcomes of international standards for land management projects that aim to convincingly mitigate global climate change, improve the well-being and poverty of local communities and conserve biodiversity.

12Tree GmbH tracks progress against sustainability targets at project and Sub-Fund level on an annual basis. The in-house sustainability team (five members) has primary responsibility for reporting and monitoring activities, with additional support from external consultants and experts on specific environmental and social topics.

As part of the sustainability framework, indicators have been defined to monitor compliance with sustainability standards as well as progress on a variety of indicators at project level. Following the Theory of Change, the indicators are divided into the areas of community, climate and biodiversity as well as economic key figures. For this purpose, data points are collected annually per project and evaluated by the sustainability team. Likewise, specific indicators are measured every three years through additional studies. The resulting progress analysis is published in a sustainability report. In addition to the ESG reports prepared by external consultants, 12Tree GmbH works with independent, external consultants to validate the work. In 2021, 12Tree GmbH began working with Terra Global, one of the world's leading carbon offset companies, to prepare the majority of farms to generate and market carbon credits for the world's most widely used voluntary GHG programme - Verified Carbon Standard - under the Additional Certification for Climate, Community and Biodiversity (VCS-CCB). Both certified and non-certified farms are

subject to the VCS-CCB standards, but certified farms go through a rigorous, independently verified assessment process that demonstrates they are managed according to best practices for community engagement and provide positive benefits to local communities and biodiversity conservation.

In addition, since 2017, 12Tree GmbH has commissioned the consulting firm Kinomé to conduct independent social audits. Kinomé has prepared baseline reports with findings and recommendations for all 12Tree farms and assesses progress at two to three year intervals.

The projects of 12Tree GmbH meet international standards such as those of the World Bank Group International Finance Corporation (IFC) and are additionally certified with sustainability labels such as Rainforest Alliance/UTZ, Forestry Stewardship Council (FSC) and Gold Standard.

12Tree GmbH requires its projects to apply the IFC Performance Standards on Environmental and Social Sustainability to manage environmental and social risks and impacts. The IFC Performance Standards provide guidance on identifying risks and impacts and are designed to help avoid, mitigate and manage risks in order to do business in a sustainable manner, including stakeholder engagement and disclosure of commitments related to project-level activities. Together, the eight performance standards set targets that the project must meet throughout the life of a 12Tree GmbH investment, including

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Outcomes
- Performance standard 2: Working and employment conditions
- Performance Standard 3: Resource Efficiency and Pollution Prevention
- Performance Standard 4: Health, Safety and Community Protection
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Performance standard 6: Biodiversity conservation and sustainable management of living natural resources
- Performance Standard 7: Indigenous Peoples
- Performance Standard 8: Cultural Heritage

The policy to assess good governance practices of the investee companies

12Tree GmbH's internal policies and procedures ensure that the highest sustainability standards are maintained at both the corporate and project levels. Currently, the Responsible Investment Policy and the Land Use Change Policy are the overarching policy documents that provide the framework for sustainability procedures and operations.

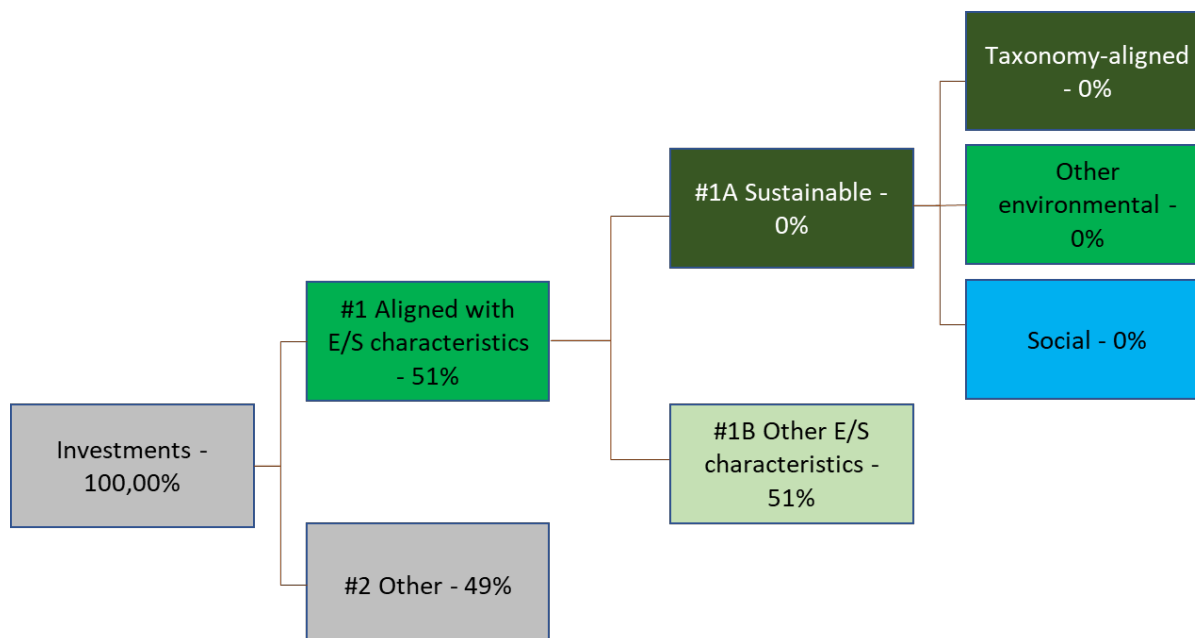
Proportion of investments

The assets of the Sub-Fund are divided into different categories in the chart below. The respective share of the Sub-Fund's assets is shown as a percentage..

The term "investments" includes all assets that can be acquired for the Sub-Fund excluding loans and other liabilities.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments (for example bank deposits or financial instruments for which there is not enough data to be able to evaluate them for the sustainable investment strategy of the Sub-Fund).



The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Monitoring of environmental or social characteristics

The achievement of the environmental and social characteristics of the Sub-Fund is measured through the so-called Standard Operating Procedures (SOPs). The SOPs are described in the section "Methods".

In addition, as part of the sustainability framework, indicators have been defined to monitor compliance with sustainability standards as well as progress on a variety of indicators at the project level. Following the Theory of Change, the indicators are divided into the areas of community, climate and biodiversity, and economic key figures. For this purpose, data points are collected annually per project and evaluated by the sustainability team. Likewise, specific indicators are measured every three years through additional studies.

Methodologies

12Tree GmbH's SOPs have been developed to manage, monitor and evaluate the sustainability aspects of an investment during its lifetime and to increase the efficiency of sustainability measures. The SOPs describe how and when the sustainability team and other teams of 12Tree GmbH should communicate, what information should flow between them, what documentation

is needed at each stage of the investment and operation process, which person(s) is responsible for each task and what tools are available.

Data sources and processing

Data used to analyse assets is sourced at the farm level. For the assessment of the impact on ecology or the community, a qualitative approach is taken using data that goes beyond the operations of the assets.

In addition, studies are conducted to assess the impact on the ecology or the community. Data is collected and analysed by project teams and external partners (e.g. on livelihood costs of farm workers).

Limitations to methodologies and data

In order to assess the impact on ecology or the community, data are used that go beyond the operations of the assets and are qualitative in nature. This results in a need for interpretative assessment of impacts.

By applying the Theory of Change approach described in the section "Investment Strategy", it can be ensured that the environmental and/or social characteristics promoted with the financial product are achieved.

Due diligence

The entity is committed to the fiduciary principle and acts exclusively in the interests of the investors. This principle is integrated into the entity's business processes. For this purpose, an internal guideline and process system has been established, which must be adhered to by all units and is monitored in a risk-oriented manner by the responsible Compliance department..

In addition to complying with the relevant applicable laws and regulatory requirements, the Sub-Fund's sustainable investment process is guided by leading national and international standards that serve as benchmarks for action.

In the acquisition and ongoing analysis of the Sub-Fund's assets, sustainability risks are taken into account as part of the entity's general due diligence obligations and in the risk analysis.

12Tree GmbH relies on the following regulations, among others:

- The United Nations Principles of Responsible Investment (PRI)
- Global G.A.P
- The Rainforest Alliance
- FSC (Forest Stewardship Council®)
- The EU Organic Label
- The USDA Organic Label
- The Verified Carbon Standard (VCS)

Engagement policies

As part of the investment strategy, 12Tree GmbH aims to build a respectful and cooperative relationship with neighbouring communities as a responsible asset advisor. Great emphasis is placed on the human and social aspect. The involvement of the communities as an important force for the protection of local biodiversity and the landscapes on which the communities depend for their livelihoods will be further promoted.

„Designated reference benchmark“, where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product.

No index was determined as a reference benchmark for the environmental and social characteristics.

List of changes: 01.01.2023 Initial preparation.