

Website disclosure under Article 10 of SFDR

For a financial product promoting environmental and/or social characteristics according to Article 8 of SFDR

PRODUCT NAME:	Stafford International Timberland X Fund (EURO) SCSp (“SIT X”)
LEGAL ENTITY IDENTIFIER/ISIN:	n/a
VERSION	March 2023

A. Summary (English)

SIT X promotes environmental or social characteristics, but does not have sustainable investment as its objective. The fund promotes the following environmental and social characteristics:

- 1) Support for, and expansion of, sustainable forest management.
- 2) Support for, and expansion of, responsible investment in timberland.
- 3) Support for climate change mitigation through maintenance and replanting of sustainable working forest plantations that sequester carbon.

The fund promotes these characteristics through a robust ESG assessment during the pre-investment phase and active monitoring/engagement with the managers in the post-investment phase. The following actions and strategies are implemented to ensure that the fund meets the promoted environmental or social characteristics:

- 1) Sustainable forest management.
- 2) Responsible investment.
- 3) Climate change mitigation.

The fund aims to have the whole portfolio aligned with E/S characteristics at the end of its commitment period. The only other assets of the fund will be limited to cash balances maintained for working capital, however, it is not possible to indicate what percentage this will be.

Once a timberland investment is made it becomes part of the following environmental and social monitoring activities:

- Manager reporting
- Manager engagement
- Forest certification audits
- Carbon sequestration calculation
- Sustainable Development Goals contribution

All data sources used to measure the environmental and social objectives of the Fund are internally sourced, relying on direct due diligence on, and engagement with, the timberland fund managers. Estimations may be used where there is a lack of available data or guidance, however, this is expected to affect only a limited proportion of the data disclosed in periodic reporting.

There are usually no publicly available data that can be used directly for reporting on the Fund's investment activities. A high degree of manual data collection and processing is therefore necessary to source such data. The limitations to this approach can be that information received could be incomplete, delayed or inaccurate so that (i) investor reports may consequently be less rigorous (ii) engagement activities based on such information might not be as efficient as if the information had been timely and comprehensive.

As an investor in third-party funds, Stafford undertakes detailed pre-investment due diligence of potential funds, the fund managers, and underlying assets before making an investment decision to ensure that the investments under consideration have no material ESG risks and those that are identified can be managed during the long-term holding period.

Given the indirect nature of SIT X's investments, Stafford engages on ESG integration and sustainability with the managers of timberland funds SIT X invests in or commits to. This is incorporated in the fund's investment strategy. Through ESG engagement Stafford supports the improvement of fund managers' ESG policies, reporting frameworks and overall ESG performance.

There is no responsible investment or ESG benchmarks designated as reference benchmarks for this fund.

A. Zusammenfassung (Deutsch)

SIT X fördert ökologische oder soziale Eigenschaften, hat aber keine nachhaltigen Investitionen zum Ziel. Der Fonds fördert die folgenden ökologischen und sozialen Merkmale:

- 1) Unterstützung und Ausbau einer nachhaltigen Waldbewirtschaftung.
- 2) Unterstützung und Ausbau von verantwortungsvollen Investitionen in Waldflächen.
- 3) Unterstützung des Klimaschutzes durch Erhaltung und Wiederbepflanzung von nachhaltig arbeitenden Waldplantagen, die Kohlenstoff binden.

Der Fonds fördert diese Merkmale durch eine solide ESG-Bewertung während der Phase vor der Investition und durch aktive Überwachung/Einbeziehung mit den Managern in der Phase nach der

Investition. Die folgenden Maßnahmen und Strategien werden umgesetzt, um sicherzustellen, dass der Fonds die geförderten ökologischen oder sozialen Merkmale erfüllt:

- 1 Nachhaltige Waldbewirtschaftung.
- 2) Verantwortungsbewusstes Investieren.
- 3) Klimaschutz.

Der Fonds strebt an, dass das gesamte Portfolio am Ende seiner Verpflichtungsperiode auf E/S-Merkmale ausgerichtet ist. Die einzigen anderen Vermögenswerte des Fonds beschränken sich auf Barguthaben, die als Betriebskapital gehalten werden, wobei jedoch nicht angegeben werden kann, wie hoch dieser prozentuale Anteil sein wird.

Sobald eine Waldinvestition getätigt wurde, wird sie Teil der folgenden Monitoring-Aktivitäten in Bezug auf Umwelt und Soziales:

- Berichterstattung des Managers
- Managerengagement
- Waldzertifizierungsaudits
- Berechnung der Kohlenstoffsequestrierung
- Beitrag zu den Zielen für nachhaltige Entwicklung

Alle Datenquellen, die zur Messung der ökologischen und sozialen Ziele des Fonds verwendet werden, stammen aus internen Quellen und stützen sich auf die direkte Due-Diligence-Prüfung und die Zusammenarbeit mit den Managern des Waldlandfonds. In Fällen, in denen es an verfügbaren Daten oder Leitlinien mangelt, können Schätzungen verwendet werden, was jedoch nur einen begrenzten Teil der in der regelmäßigen Berichterstattung offengelegten Daten betreffen dürfte.

Es gibt in der Regel keine öffentlich zugänglichen Daten, die direkt für die Berichterstattung über die Anlagetätigkeit des Fonds verwendet werden können. Zur Beschaffung solcher Daten ist daher ein hoher Grad an manueller Datenerhebung und -verarbeitung notwendig. Die Einschränkungen dieses Ansatzes können darin bestehen, dass erhaltene Informationen unvollständig, verzögert oder ungenau sein könnten, so dass (i) Anlegerberichte folglich weniger streng sein können (ii) Engagement-Aktivitäten auf der Grundlage dieser Informationen möglicherweise nicht so effizient sind, als wären die Informationen rechtzeitig erfolgt und umfassend.

Als Investor in Fonds von Drittanbietern führt Stafford eine detaillierte Due-Diligence-Prüfung vor der Investition potenzieller Fonds, der Fondsmanager und der zugrunde liegenden Vermögenswerte durch, bevor eine Anlageentscheidung getroffen wird, um sicherzustellen, dass die in Betracht gezogenen Anlagen keine wesentlichen ESG-Risiken aufweisen und solche, die identifiziert wurden können während der langfristigen Haltedauer verwaltet werden.

Angesichts des indirekten Charakters der Investitionen von SIT X engagiert sich Stafford für ESG-Integration und Nachhaltigkeit mit den Managern von Timberland-Fonds, in die SIT X investiert oder zu denen er sich verpflichtet. Dies ist in die Anlagestrategie des Fonds eingeflossen. Durch ESG-Engagement unterstützt Stafford die Verbesserung der ESG-Richtlinien, Berichtsrahmen und der ESG-Gesamtleistung von Fondsmanagern.

Für diesen Fonds sind keine verantwortungsvollen Anlagen oder ESG-Benchmarks als Referenzbenchmarks vorgesehen.

A. Résumé (Français)

SIT X promeut des caractéristiques environnementales ou sociales, mais n'a pas pour objectif d'investir durablement. Le fonds promeut les caractéristiques environnementales et sociales suivantes :

- 1) Soutien et expansion de la gestion durable des forêts.
- 2) Soutien et expansion de l'investissement responsable dans les terres forestières.
- 3) Soutien à l'atténuation du changement climatique par l'entretien et la replantation de plantations forestières durables séquestrant du carbone.

Le fonds promeut ces caractéristiques grâce à une évaluation ESG robuste pendant la phase de préinvestissement et à un suivi/engagement actif avec les gestionnaires dans la phase post-investissement. Les mesures et stratégies suivantes sont mises en œuvre pour s'assurer que le fonds répond aux caractéristiques environnementales ou sociales promues :

- 1) Gestion durable des forêts.
- 2) Investissement responsable.
- 3) Atténuation du changement climatique.

Le fonds vise à aligner l'ensemble de son portefeuille sur les caractéristiques E/S à la fin de sa période d'engagement. Les seuls autres actifs du fonds seront limités aux soldes de trésorerie maintenus pour le roulement du fonds, mais il n'est pas possible d'en indiquer le pourcentage.

Une fois qu'un investissement forestier est effectué, il fait partie des activités de surveillance environnementale et sociale suivantes :

- Rapports des gestionnaires
- Engagement des gestionnaires
- Audits de certification forestière
- Calcul de la séquestration du carbone
- Contribution aux objectifs de développement durable

Toutes les sources de données utilisées pour mesurer les objectifs environnementaux et sociaux du Fonds proviennent de sources internes, en s'appuyant sur la diligence raisonnable directe et l'engagement des gestionnaires de fonds forestiers. Des estimations peuvent être utilisées en cas de manque de données ou d'orientations disponibles, mais cela ne devrait concerner qu'une proportion limitée des données communiquées dans les rapports périodiques.

Il n'existe généralement pas de données accessibles au public qui puissent être utilisées directement pour rendre compte des activités d'investissement du Fonds. Un niveau élevé de collecte et de traitement manuels des données est donc nécessaire pour obtenir de telles données. Les limites de cette approche

sont que les informations reçues peuvent être incomplètes, tardives ou inexactes, de sorte que (i) les rapports des investisseurs peuvent être moins rigoureux (ii) les activités d'engagement basées sur ces informations peuvent ne pas être aussi efficaces que si les informations avaient été opportunes et complètes.

En tant qu'investisseur dans des fonds de tiers, Stafford entreprend des vérifications préalables détaillées des fonds potentiels, des gestionnaires de fonds et des actifs sous-jacents avant de prendre une décision d'investissement afin de s'assurer que les investissements envisagés ne présentent pas de risques ESG importants et que ceux qui sont identifiés peuvent être gérés au cours de la période de détention à long terme.

Compte tenu de la nature indirecte des investissements de SIT X, Stafford s'engage sur l'intégration ESG et la durabilité avec les gestionnaires des fonds Timberland dans lesquels SIT X investit ou s'engage. Cette démarche est intégrée à la stratégie d'investissement du fonds. Par son engagement ESG, Stafford soutient l'amélioration des politiques ESG des gestionnaires de fonds, des cadres de reporting et de la performance ESG globale.

Il n'y a pas d'investissement responsable ou d'indices de référence ESG désignés comme indices de référence pour ce fonds.

B. No sustainable investment objective

SIT X is classified as an Article 8 fund under the EU disclosure regulation.

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

C. Environmental or social characteristics of the financial product

SIT X promotes the following E/S (or ESG) characteristics:

- 1) Sustainable forest management.
- 2) Responsible investment in timberland.
- 3) Climate change mitigation through the maintenance and replanting of sustainable working forest plantations that sequester carbon.

The foundation for positive environmental and social characteristics across SIT X's portfolio is achieved during the investment phase by adhering to the following principles:

- **Avoidance of high-risk forest types** – The underlying assets consist of commercially-managed plantation forests. Investments into natural forests, which present a significantly higher risk of non-conformance to environmental or social best practice, are avoided.

- **Avoidance of high-risk countries** – SIT X's timberland investments are located in countries with established and well regulated plantation forest industries, including the United States, New Zealand, Australia Uruguay, southern Brazil and Chile.
- **Manager selection** – Stafford has a long history of working with some of the best-known international timberland managers. Where an investment opportunity might arise with a new, unknown manager, a full manager review is conducted as part of the due diligence phase covering financial track record, environmental track record, experience and governance.
- **Focus on established assets** – Stafford focuses on established timberland assets with proven financial, operational and environmental track record.
- **Forest certification** – Wherever possible Stafford aims to have forest certification in place for all of its timberland portfolio. Third party accreditation schemes such as the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) are a fundamental tool in assessing and monitoring ESG compliance.

D. Investment strategy

SIT X promotes E/S characteristics through a robust ESG assessment during the pre-investment phase and active monitoring/engagement with the managers in the post-investment phase. The underlying assets in SIT X will comprise of timberland with the following characteristics:

- *They are typically planted forests as opposed to natural forests.* We also acknowledge that planted forests play a key role in alleviating pressure on natural forests to meet growing wood demand globally. According to United Nations Food & Agriculture Organisation (FAO) data, planted forests make up only 7% of the world's total forest area, yet supply over half of the world's industrial roundwood demand.
- *Wood products such as paper, cardboard, lumber and wood-based panels are low-carbon, biodegradable, and renewable materials.*
- *As trees grow, they provide a significant source of carbon sequestration.* The world's forests absorb 29% of global carbon dioxide emissions every year.
- *Forests provide extensive ecosystem services such as biodiversity and habitat conservation, or watershed management.* For example, 75% of the world's accessible fresh water supply for agricultural, domestic, industrial and environmental use comes from forests.
- *The forest industry is frequently a significant provider of employment opportunities* in less wealthy, rural areas.

To ensure SIT X meets the promoted environmental or social characteristics the following actions and strategies are implemented:

1. **Sustainable forest management** – For the purpose of assessing the % of forests under management that are certified under a third-party sustainable forest management standard, Stafford undertakes a

biennial Certification Survey across all its managers. Through this survey we collect information on forest area certified by under a third-party sustainable forest management standard and any refusals or suspensions since the last survey. The results for SIT X are then compared to those of other timberland funds.

2. Responsible investment – For the purpose of monitoring external timberland fund managers, Stafford undertakes an annual ESG survey based on manager responses to the annual survey and assessment methodology of the UN Principles for Responsible Investment (PRI). This survey covers fund managers' ESG strategy, stewardship policy, and ESG integration through all the stages of their investment process.

3. Climate change mitigation – Stafford maintains a proprietary carbon assessment tool for reporting carbon stocks and flows across fund investments on an annual basis and has been validated by an external party, South Pole. Stafford also engages with timberland managers to improve on monitoring and reporting in this area.

The policy to assess good governance practices of the investee companies (properties):

Stafford's investment teams are responsible for the ongoing assessment and monitoring of the governance practices of external fund managers, investee funds and companies in which we invest in. These assessments are made in the context of each investment strategy using available data and relevant research. Assessment of the governance practices of the underlying investments is complex and may be based on information, which is difficult to obtain, incomplete, estimated, or out of date. Investment teams assess good governance using any reasonably available information sources which they determine to be material to the underlying investments.

The due diligence process incorporates a site visit where applicable, market review, financial and data room review, a focus on specific items relevant to the investment, management, and staff interviews. Legal and tax due diligence also form a significant part of the overall due diligence activities. Lastly, an Operations and Governance Review ("OGR") is performed by Stafford's operations team separately to ascertain the integrity, existence and robustness of ownership structure, compliance and legal framework, prudence or controls, and responsible investment characteristics.

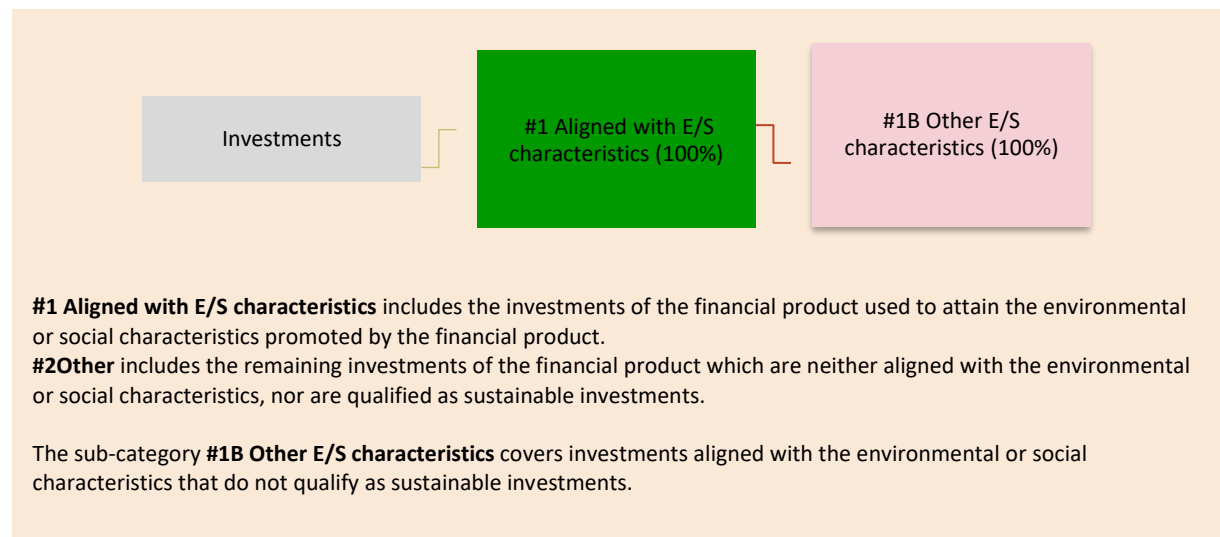
Operational and governance reviews are conducted not only in parallel to investment due diligence but also during length of holding an investment. Our monitoring of good governance practices is ongoing, and the investment teams use tools such as RepRisk to identify the incidents related to inferior governance practices in the underlying funds and portfolio companies.

E. Proportion of investments

SIT X is classified as an Article 8 fund under the EU disclosure regulation which promotes E/S characteristics, but did not commit to making sustainable investments. The fund aims to have the whole portfolio (100% of net assets) aligned with E/S characteristics at the end of its commitment period. "Other" assets of the fund will likely be limited to cash balances maintained for working capital, however, it is not possible to indicate what percentage this will be.

While forest management is implicitly a sustainable activity, and this is consistent with the EU Taxonomy, none of the underlying SIT X managers have reported the alignment of their funds with this taxonomy to date (see chart below).

Composition of investments in SIT X



Source: *Stafford Capital Partners*

F. Monitoring of environmental or social characteristics

Once a timberland investment is made it becomes part of the following environmental and social monitoring activities:

- **Manager reporting** – Stafford receives formal reports from all underlying managers on a quarterly basis and are reviewed for any significant environmental or social events. Material items are logged in our manager engagement database for further follow up.
- **Manager engagement** – Stafford's timberland team holds one formal meeting per quarter in addition to informal meetings with underlying managers to discuss all financial, environmental and social aspects of performance. This includes regular site visits where our staff of professional foresters can assess first-hand the standards of management being applied. Material items are logged in our manager engagement database for further follow up.
- **Forest certification audits** – Third party accreditation schemes such as the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC) are a fundamental tool in assessing and monitoring ESG compliance across the portfolio and are audited on an annual basis by independent third parties. Stafford's timberland team assesses forest certification adoption and policies during due diligence of all timberland investments, and surveys all manager relationships biennially to assess ongoing certification levels and compliance, and the results published for clients.

- **Sustainable Development Goals** – Stafford has developed a tool used by the Timberland team to analyse on an annual basis the contribution of underlying assets in each of its funds towards the Sustainable Development Goals and is documented in fund specific quarterly reports.
- **Carbon sequestration** – Stafford has developed a carbon accounting tool used by the Timberland team to estimate biannually the carbon sequestration benefits derived from the timberland funds it manages. This considers every underlying property for location, species, growth rate, age class and typical management regime to estimate total biomass and the carbon component of this biomass. It is then adjusted for carbon emitted as part of harvesting operations and haulage of products to markets to arrive at an estimate of net carbon sequestered. Outcomes are documented in fund specific quarterly reports.

G. Methodologies for environmental or social characteristics

The methodologies Stafford will use to measure how environmental and social characteristics promoted by the SIT X fund are as follows:

Sustainable forest management: For the purpose of assessing the % of forests under management that are certified under a third-party sustainable forest management standard, Stafford undertakes a biennial Certification Survey across all its managers. Through this survey we collect information on forest area certified by under a third-party sustainable forest management standard and any refusals or suspensions since the last survey. The results for SIT X are then compared to those of other timberland funds.

Responsible investment: For the purpose of monitoring external timberland fund managers, Stafford undertakes an annual ESG survey based on the annual ESG questionnaire and assessment methodology of the UN Principles for Responsible Investment (PRI). This survey covers fund managers' ESG strategy, stewardship policy, and ESG integration through all the stages of their investment process.

Climate change mitigation: Stafford maintains a proprietary carbon assessment tool for reporting carbon stocks and flows across fund investments on an annual basis and has been validated by an external party, South Pole. Stafford also engages with timberland managers to improve on monitoring and reporting in this area.

H. Data sources and processing

As an investor in third-party funds, Stafford depends on external managers to collect and provide relevant ESG data for the underlying funds' portfolios. If external managers are not reporting ESG-related data, Stafford is not in a position to obtain and/or assess the data directly from the underlying companies (or buy it from ESG data providers, given that assets are privately-held and typically not covered by data providers).

All data sources used to measure the achievement of the environmental and social objectives of the Fund are internally sourced, relying on direct due diligence on and engagement with the timberland fund managers.

Estimations may be used where there is a lack of available data or guidance, however, this is expected to affect only a limited proportion of the data disclosed in periodic reporting.

SIT X will use the following data sources to monitor the attainment of the environmental or social characteristics promoted by the financial product:

1. Stafford's Certification Survey to assess forests under management which were certified under a third-party sustainable forest management standard.

2. The annual ESG Survey responses provided by timberland fund managers through the PRI reporting tool and scores and ratings for the Investment & Stewardship Policy module of the PRI reporting tool, provided by the PRI and based on the PRI's publicly available assessment methodology, checked and validated by the PRI.

3. Stafford's proprietary carbon assessment tool for reporting carbon stocks and flows across our forests under management on an annual basis which has been validated by an external party South Pole.

I. Limitations to methodologies and data

There are usually no publicly available data that can be used directly for reporting on the Fund's investment activities. A high degree of manual data collection and processing is therefore necessary to source such data. The limitations to this approach can be that information received could be incomplete, delayed or inaccurate so that (i) investor reports may consequently be less rigorous (ii) engagement activities based on such information might not be as efficient as if the information had been timely and comprehensive.

Stafford acknowledges the risks involved in manual data collection/processing and will focus on enhancing data quality standards. This will reflect in the due diligence carried out on underlying managers and/or service providers and the assurance that can be obtained regarding their processes, methodologies and controls. The main data-related issue for Stafford as investor in third-party funds is that we depend largely on external managers to collect and provide relevant ESG data. If external managers are not providing ESG-related data on their fund portfolios, Stafford is not in a position to obtain and/or assess the data directly from the underlying companies.

The data on the metrics we have defined to measure the attainment of environmental and social characteristics of SIT X are being collected internally by the investment teams (proprietary carbon assessment tool for reporting carbon stocks and flows) or through surveys sent to external managers (to assess fund managers' ESG performance, certification survey etc). Hence, the limitation mentioned above will not critically affect the ability of the financial product to meet the environmental and social characteristics, as long as fund managers respond to the surveys.

J. Due Diligence

The Stafford Group applies an overarching Responsible Investment Policy to all its investment products. This summarises our core investment beliefs, including our commitment to the UN-backed Principles for Responsible Investment. It also highlights how these are integrated into our investment process.

Stafford seeks to first identify sustainability risk and opportunities during an initial screening of investment opportunities. The consideration of current and historic land use on target assets, together with the use of tools created to support carbon project development, allow us to gauge whether specific targets have the potential to contribute successfully towards the Fund's objectives.

Investment targets that pass through this initial screening may be put to the Fund's investment committee (IC) for a first review and assessment. The proposal must receive IC approval to move forward into the next phase where a more thorough due diligence process is completed.

Due diligence will typically encompass an extensive review of documentation, investment models and supplementary materials shared directly or via data rooms. Particular attention is also paid to discussions with the team responsible for managing the asset, specifically their experience, track record, resources (including software, databases, etc), and capacity for investor support (reporting) and administration.

Wherever possible the due diligence will include a site visit to assess the physical characteristics of the asset as well as to meet the management team and relevant stakeholders. This generally allows for a better understanding of key topics that may be relevant to specific investments.

Stafford has considerable internal resources available when it comes to technical forestry matters and a well-established track record in investing into forestry assets. This expertise will typically be complemented by external resources such as legal advisors, financial and tax advisors, technical expert teams, external ESG consultants and/or other well-reputed management consultancy firms as needed during this due diligence process.

At the end of the due diligence process a detailed investment recommendation report is presented to the IC. Responsible investment and ESG considerations are a standard element of Stafford's investment recommendations papers and are as such being discussed during Investment Committee's meetings.

Stafford's investment teams across all business lines perform the ESG analysis internally, supported by the ESG team and by the Sustainability Committee. In addition, we use some ESG services and tools by external providers, namely:

- **Ethixbase** (for a general risk and compliance review and background checks of fund managers contacts, used in Operations & Governance Review);
- **RepRisk** (to monitor the ESG-related incidents and reputational risk of underlying portfolio companies and managers); and
- **The PRI Reporting and Assessment tool** to monitor and assess the annual ESG performance of GPs, whereby we work closely with the PRI's Reporting & Assessment Team.

Furthermore, Stafford's staff uses any relevant ESG and responsible investment related research, guidelines and handbooks published by the PRI, SASB, academic institutions and research institutes.

K. Engagement

Given the indirect nature of its investments, Stafford engages on ESG integration and sustainability with the managers of timberland funds SIT X invests in or commits to. This is incorporated in SIT X's investment strategy. Through ESG engagement Stafford supports the improvement of fund managers' ESG policies, reporting frameworks and overall ESG performance.

Engagement with the Fund's property managers or portfolio companies on sustainability matters is key for properly identifying and managing investment risks, monitoring assets across the portfolio and ensuring long-term sustainability. Engagement is through active dialogue and formal quarterly meetings in line with regular reporting cycle.

Stafford also maintains a biennial survey of managers to assess third party forest management certification, conducts an annual ESG survey drawing on PRI results, and circulates an annual data request to managers to better assess investments and manager performance. Data typically requested includes the investment/s cash flow outlook, forest carbon projects under preparation and ongoing risk management topics.

L. Designated reference benchmark

SIT X primarily invests indirectly, in third-party *funds* which are composed of privately-held timberland assets and properties. As a result, there are no Responsible Investment or ESG benchmarks designated as reference benchmarks for this fund.