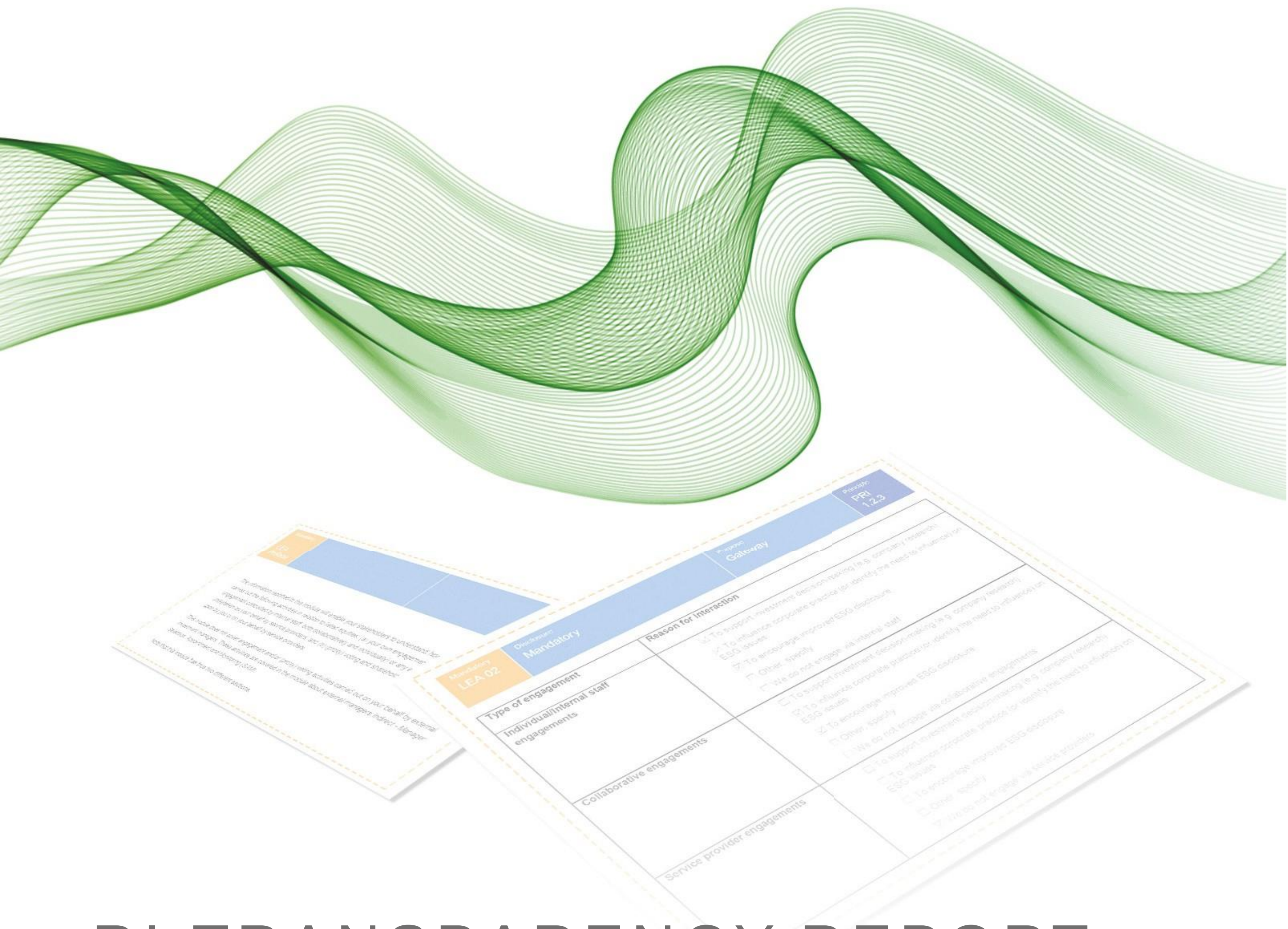


# RI TRANSPARENCY REPORT

## 2017

## Conservation Forestry Partners, LLC

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

# About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the PRI website, ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six Principles for Responsible Investment. It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status |
|---|---|
| ✓ | The signatory has completed all mandatory parts of this indicator |
| ☑ | The signatory has completed some parts of this indicator |
| 🔒 | This indicator was not relevant for this signatory |
| - | The signatory did not complete any part of this indicator |
| ⚐ | The signatory has flagged this indicator for internal review |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

| Organisational Overview | | | | Principle | | | | | | General |
|---|---|---|---|---|---|---|---|---|---|---|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OO 01 | Signatory category and services | ✓ | Public | | | | | | | ✓ |
| OO 02 | Headquarters and operational countries | ✓ | Public | | | | | | | ✓ |
| OO 03 | Subsidiaries that are separate PRI signatories | ✓ | Public | | | | | | | ✓ |
| OO 04 | Reporting year and AUM | ✓ | Public | | | | | | | ✓ |
| OO 05 | Breakdown of AUM by asset class | ✓ | Asset mix disclosed in OO 06 | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Fixed income AUM breakdown | 🔒 | n/a | | | | | | | ✓ |
| OO 08 | Segregated mandates or pooled funds | 🔒 | n/a | | | | | | | ✓ |
| OO 09 | Breakdown of AUM by market | ✓ | Public | | | | | | | ✓ |
| OO 10 | RI activities for listed equities | 🔒 | n/a | | | | | | | ✓ |
| OO 11 | RI activities in other asset classes | ✓ | Public | | | | | | | ✓ |
| OO 12 | Modules and sections required to complete | ✓ | n/a | | | | | | | ✓ |
| OO End | Module confirmation page | ✓ | - | | | | | | | |





PRI Principles for Responsible Investment

| Strategy and Governance | | | | Principle | | | | | | General |
|---|---|---|---|---|---|---|---|---|---|---|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| SG 01 | RI policy and coverage | ✓ | Public | | | | | | | ✓ |
| SG 02 | Publicly available RI policy or guidance documents | ✓ | Public | | | | | | ✓ | |
| SG 03 | Conflicts of interest | ✓ | Public | | | | | | | ✓ |
| SG 04 | | ✓ | Private | | | | | | | ✓ |
| SG 05 | RI goals and objectives | ✓ | Public | | | | | | | ✓ |
| SG 06 | Main goals/objectives this year | ✓ | Private | | | | | | | ✓ |
| SG 07 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| SG 08 | RI in performance management, reward and/or personal development | ✓ | Public | | | | | | | ✓ |
| SG 09 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| SG 10 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| SG 11 | Dialogue with public policy makers or standard setters | ✓ | Private | | | | ✓ | ✓ | ✓ | |
| SG 12 | ESG issues in strategic asset allocation | ✓ | Public | ✓ | | | | | | |
| SG 13 | Long term investment risks and opportunity | ✓ | Private | ✓ | | | | | | |
| SG 14 | Allocation of assets to environmental and social themed areas | ✓ | Public | ✓ | | | | | | |
| SG 15 | ESG issues for internally managed assets not reported in framework | ✓ | Public | | | | | | | ✓ |
| SG 16 | ESG issues for externally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| SG 17 | Innovative features of approach to RI | ✓ | Public | | | | | | | ✓ |
| SG End | Module confirmation page | ✓ | - | | | | | | | |

Conservation Forestry Partners, LLC

# Reported Information

# Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

| OO 01 | Mandatory | Public | Gateway/Peering | General |
|---|---|---|---|---|

| OO 01.1 | Select the services you offer. |
|---|---|

☑ Fund management

| | % of assets under management (AUM) in ranges |
|---|---|

○ <10%

○ 10-50%

◉ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☐ Execution and advisory services

| OO 01.2 | Additional information. [Optional] |
|---|---|

Conservation Forestry Partners, LLC (CFP or Conservation Forestry Partners) strategy is to align private equity with conservation capital for the purpose of acquiring and managing large forest landscapes. We do so in a manner that seeks a competitive risk adjusted rate of return for timberland investments while enhancing the conservation values of the forests. The firm and its various funds focus on making investments in North America, with an emphasis on the United States.

| OO 02 | Mandatory | Public | Peering | General |
|---|---|---|---|---|

| OO 02.1 | Select the location of your organisation's headquarters. |
|---|---|

United States

| OO 02.2 | Indicate the number of countries in which you have offices (including your headquarters). |
|---|---|

◉ 1

○ 2-5

○ 6-10

○ >10

| OO 02.3 | Indicate the approximate number of staff in your organisation in full-time equivalents (FTE). |
|---|---|

| | FTE |
|---|---|

16

| OO 03 | Mandatory | Public | Descriptive | General |
|---|---|---|---|---|

| OO 03.1 | Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right. |
|---|---|

○ Yes

◉ No

| OO 04 | Mandatory | Public | Gateway/Peering | General |
|---|---|---|---|---|

| OO 04.1 | Indicate the year end date for your reporting year. |
|---|---|

31/12/2016

| OO 04.2 | Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on. |
|---|---|

| | trillions | billions | millions | thousands | hundreds |
|---|---|---|---|---|---|
| Total AUM | | | 906 | 500 | 000 |
| Currency | USD | | | | |
| Assets in USD | | | 906 | 500 | 000 |

| OO 06 | Mandatory | Public | Descriptive | General |
|---|---|---|---|---|

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

| OO 06.1 | How you would like to disclose your asset class mix. |
|---|---|

○ as percentage breakdown

◉ as broad ranges

| | Internally managed (%) | Externally managed (%) |
|---|---|---|
| Listed equity | 0 | 0 |
| Fixed income | 0 | 0 |
| Private equity | 0 | 0 |
| Property | 0 | 0 |
| Infrastructure | 0 | 0 |
| Commodities | 0 | 0 |
| Hedge funds | 0 | 0 |

| | | |
|---|---|---|
| Forestry | >50% | 0 |
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 0 | 0 |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

| OO 06.2 | Publish our asset class mix as per attached image [Optional]. |
|---|---|

| OO 09 | Mandatory to Report Voluntary to Disclose | Public | Peering | General |
|---|---|---|---|---|

| OO 09.1 | Indicate the breakdown of your organisation’s AUM by market. |
|---|---|

| | |
|---|---|
| Developed Markets | ○ 0%<br>○ <10%<br>○ 10-50%<br>◉ >50 % |
| Emerging, Frontier and Other Markets | ◉ 0%<br>○ <10%<br>○ 10-50%<br>○ >50 % |
| *Total* | *100%* |

| OO 09.2 | Additional information. [Optional] |
|---|---|

Currently Conservation Forestry Partners only invests in North America with a focus on the United States. U.S. timberland is a preferred investment region because of its strong forest products infrastructure, market fundamentals, and forest management regimes. In addition, its long history of private property rights and legal precedents with regard to conservation easement laws, makes the United States suited to our strategy of partnering with conservation organizations.

## Gateway asset class implementation indicators

| OO 11 | Mandatory | Public | Gateway | General |
|---|---|---|---|---|

| OO 11.1 | Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year). |
|---|---|

☑ Forestry

☐ None of the above

Conservation Forestry Partners, LLC

# Reported Information

# Public version

## Strategy and Governance

## PRI disclaimer

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## Investment policy

| SG 01 | Mandatory | Public | Core Assessed | General |
|---|---|---|---|---|

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

| SG 01.1 | Indicate if you have an investment policy that covers your responsible investment approach. |
|---|---|

◉ Yes

| SG 01.2 | Indicate the components/types and coverage of your policy. |
|---|---|

Select all that apply

| Policy components/types | Coverage by AUM |
|---|---|
| ☑ Policy setting out your overall approach<br>☑ Formalised guidelines on environmental factors<br>☐ Formalised guidelines on social factors<br>☑ Formalised guidelines on corporate governance factors<br>☑ Asset class-specific RI guidelines<br>☐ Sector specific RI guidelines<br>☐ Screening / exclusions policy<br>☐ Other, specify (1)<br>☐ Other, specify(2) | ◉ Applicable policies cover all AUM<br>○ Applicable policies cover a majority of AUM<br>○ Applicable policies cover a minority of AUM |

| SG 01.4 | Indicate what norms you have used to develop your investment policy that covers your responsible investment approach. |
|---|---|

☐ UN Global Compact Principles
☐ UN Guiding Principles on Business and Human Rights
☐ Universal Declaration of Human Rights
☐ International Bill of Human Rights
☐ International Labour Organization Conventions
☐ United Nations Convention Against Corruption
☐ OECD Guidelines for Multinational Enterprises
☐ Other, specify (1)
☐ Other, specify (2)
☐ Other, specify (3)
☑ None of the above

○ No

| SG 01.6 | Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional] |
|---|---|

Conservation Forestry Partners, LLC (CFP) has a responsible investment policy called "ESG Policy: Principles for Responsible Investment." The five key elements of the policy refer to: 1) a strategic commitment to incorporate conservation efforts into our investment program and pursue conservation and environmental outcomes from all of our investments; 2) a commitment to manage our timberlands in an environmentally, economically, and socially responsible manner; 3) an approach to governance that is transparent, responsive to investor's requests, and focused on investor's interests; 4) creating a workplace in which employees are motivated to be productive and efficient, and in which all employees are treated fairly and with respect; and, 5) regularly reporting on its activities and progress toward achieving its goals and these principles. CFP has a separate Sustainable Forest Management policy which covers the specific policy issues regarding the management, long-term health, and productivity of timberlands. Conservation Forestry Partners believes that success comes from our strategy of balancing conservation with sustainable timber management on properties we manage. Our goal is to provide a healthy and effective workplace environment for our employees and open and informative communications to our investors, both on financial and non-financial outcomes.

| SG 02 | Mandatory | Public | Core Assessed | PRI 6 |
|---|---|---|---|---|

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

| SG 02.1 | Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document. |
|---|---|

☐ Policy setting out your overall approach

☐ Formalised guidelines on environmental factors

☐ Formalised guidelines on corporate governance factors

☐ Asset class-specific RI guidelines

☑ We do not publicly disclose our investment policy documents

| SG 03 | Mandatory | Public | Core Assessed | General |
|---|---|---|---|---|

| SG 03.1 | Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process. |
|---|---|

◉ Yes

| SG 03.2 | Describe your policy on managing potential conflicts of interest in the investment process. |
|---|---|

Conservation Forestry Partners is a Registered Investment Advisor (RIA) under the Investment Advisers Act of 1940 in the United States of America. To assure compliance, the firm employs a full-time compliance officer who is overseen and supported by a compliance committee that includes Senior Management of the firm. The firm also has a Compliance Manual that includes a Code of Ethics and an Employee Handbook that details issues which may cause potential conflict. On an annual basis, we bring in outside counsel to provide compliance training, which includes updates on potential conflicts of interest. In addition to potential personal conflicts, conflicts of interest in timber funds can occur with regard to the queuing process where the manager has multiple separate accounts. In order to minimize potential conflicts, Conservation Forestry Partners only raises one fund at a time and cannot raise a new one until at least 75% of the capital of any predecessor fund is invested. Lastly, each of the Funds respectively has an advisory committee composed of Limited Partners in the respective funds. The Advisory Committee has the authority to resolve potential conflicts of interest.

○ No

## Objectives and strategies

| SG 05 | Mandatory | Public | Gateway/Core Assessed | General |
|---|---|---|---|---|

| SG 05.1 | Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities. |
|---|---|

○ Quarterly or more frequently

○ Biannually

◉ Annually

○ Less frequently than annually

○ Ad-hoc basis

○ It is not reviewed

| SG 05.2 | Additional information. [Optional] |
|---|---|

Conservation Forestry Partners integrates the identification of conservation interest in potential investments as part of our investment processes. There are several criteria we look for in each potential investment including the possibility for a conservation outcome on the property. All investments are assessed on environmental factors such as: habitat for endangered species and rare natural communities, high conservation value forests, water-related issues, and other important environmental attributes supported by the forest. All of the properties owned by CFP funds are third-party certified to either the Forest Stewardship Council (FSC) or Sustainable Forestry Initiative (SFI).

## Governance and human resources

| SG 07 | Mandatory | Public | Core Assessed | General |
|---|---|---|---|---|

| SG 07.1 | Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment. |
|---|---|

| | Roles present in your organisation |
|---|---|

☐ Board members or trustees

☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☑ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Other Chief-level staff or head of department, specify

Chief Conservation Officer

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Portfolio managers

☐ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Investment analysts

☐ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Dedicated responsible investment staff

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ External managers or service providers

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Investor relations

☐ Other role, specify (1)

☐ Other role, specify (2)

| SG 07.2 | For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities. |
|---|---|

Conservation Forestry Partners has a Senior Member of the management team who is the Chief Conservation Officer of the firm with oversight of the conservation aspects of the firm. CFP has a Conservation Investment Manager whose role is to support the Chief Conservation Officer in all conservation and ESG parts of the strategy of the firm. In addition, all third-party forest management firms, which provide the day-to-day forest operations for CFP, have defined sustainability and certification requirements that are monitored by CFP staff on an ongoing basis.

| SG 07.3 | Indicate the number of dedicated responsible investment staff your organisation has. |
|---|---|

| | Number |
|---|---|

2

| SG 08 | Voluntary | Public | Additional Assessed | General |
|---|---|---|---|---|

| SG 08.1 | Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element. |
|---|---|

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

☑ Responsible investment KPIs and/or goals included in objectives

☐ Responsible investment included in  appraisal process

☐ Variable pay linked to responsible investment performance

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

**Other C-level staff or head of department**

Chief Conservation Officer

☑ Responsible investment KPIs and/or goals included in objectives

☑ Responsible investment included in  appraisal process

☑ Variable pay linked to responsible investment performance

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

**Portfolio managers**

☐ Responsible investment KPIs and/or goals included in objectives

☐ Responsible investment included in  appraisal process

☑ Variable pay linked to responsible investment performance

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

**Investment analysts**

☐ Responsible investment KPIs and/or goals included in objectives

☐ Responsible investment included in  appraisal process

☑ Variable pay linked to responsible investment performance

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

**Dedicated responsible investment staff**

☑ Responsible investment KPIs and/or goals included in objectives

☑ Responsible investment included in  appraisal process

☑ Variable pay linked to responsible investment performance

☑ Responsible investment included in personal development and/or training plan

☐ None of the above

| SG 08.3 | Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment. |
|---|---|

Compensation for all employees is based on job responsibilities, experience, and will be commensurate with peers in similar positions in the industry. Employees of Conservation Forestry Partners can earn a bonus on their base salary based on various goals and objectives set for the employee. Variable pay for all employees is linked to the overall success of the firm in achieving its goals, which includes the identification and implementation of successful investments that incorporate Responsible Investment principles. In addition to annual bonuses, we seek employees who will prove their ability to assume partner level responsibilities. Select employees are invited to participate in the equity of one or more of our general partners of various funds managed by CFP. This entitles them to the corresponding interest share of the carried interest, if applicable. Equity interests of all the partners are subject to a vesting period of ten years to encourage retention. Employees are encouraged to seek continuing education as well to attend conferences, meetings, and participate in other educational endeavours that will add to their expertise in their role as well as their expertise in all aspects of CFP's goals, objectives, and mission. Management maintains an open door work environment and fosters an environment where every member of the team feels appreciated and respected. Ultimately, the human resources of the firm are the most important part of successfully implementing our impact strategy and senior management focuses significant time fostering an environment where peers in the firm can thrive, enjoy what they do, have a healthy work/life balance, and ultimately find their work to be a fulfilling part of their life.

## Promoting responsible investment

| SG 09 | Mandatory | Public | Core Assessed | PRI 4,5 |
|---|---|---|---|---|

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

| SG 09.1 | Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played. |
|---|---|

**Select all that apply**

☑ Principles for Responsible Investment

| | Your organisation's role in the initiative during the reporting period (see definitions) |
|---|---|

☑ Basic

☐ Moderate

☐ Advanced

| | Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional] |
|---|---|

Signatory

☐ AFIC – La Commission ESG

☐ Asian Corporate Governance Association

☐ Australian Council of Superannuation Investors

☐ BVCA – Responsible Investment Advisory Board

☐ CDP Climate Change

☐ CDP Forests

☐ CDP Water

☐ CFA Institute Centre for Financial Market Integrity

☐ Code for Responsible Investment in SA (CRISA)

☐ Code for Responsible Finance in the 21st Century

☐ Council of Institutional Investors (CII)

☐ ESG Research Australia

☐ Eumedion

☐ EVCA – Responsible Investment Roundtable

☐ Extractive Industries Transparency Initiative (EITI)

☐ Global Investors Governance Network (GIGN)

☑ Global Impact Investing Network (GIIN)

| | Your organisation's role in the initiative during the reporting period (see definitions) |
|---|---|

☑ Basic

☐ Moderate

☐ Advanced

| | Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional] |
|---|---|

Member and supporter. We also participated in at least two GIIN events.

☐ Global Real Estate Sustainability Benchmark (GRESB)

☐ Green Bond Principles

☐ Institutional Investors Group on Climate Change (IIGCC)

☐ Interfaith Center on Corporate Responsibility (ICCR)

☐ International Corporate Governance Network (ICGN)

☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

☐ International Integrated Reporting Council (IIRC)

☐ Investor Network on Climate Risk (INCR)/CERES

☐ Local Authority Pension Fund Forum

☐ Principles for Sustainable Insurance

☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

☐ Responsible Finance Principles in Inclusive Finance

☐ Shareholder Association for Research and Education (Share)

☐ United Nations Environmental Program Finance Initiative (UNEP FI)

☐ United Nations Global Compact

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

| SG 10 | Mandatory | Public | Core Assessed | PRI 4 |
|---|---|---|---|---|

| SG 10.1 | Indicate if your organisation promotes responsible investment, independently of collaborative initiatives. |
|---|---|

◉ Yes

| SG 10.2 | Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives. |
|---|---|

☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☑ Provided financial support for academic or industry research on responsible investment

☐ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☑ Spoke publicly at events and conferences to promote responsible investment

☐ Wrote and published in-house research papers on responsible investment

☑ Encouraged the adoption of the PRI

☐ Wrote articles on responsible investment in the media.

☐ Other, specify

○ No

## Implementation not in other modules

| SG 12 | Mandatory | Public | Descriptive | PRI 1 |
|---|---|---|---|---|

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

| SG 12.1 | Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated. |
|---|---|

☐ We execute scenario analysis which includes factors representing the investment impacts of future environmental trends

☐ We execute scenario analysis which includes factors representing the investment impacts of future social trends

☐ We execute scenario analysis which includes factors representing the investment impacts of future governance trends

☐ We execute other scenario analysis, specify

☑ We do not execute such scenario analysis and/or modelling

| SG 12.2 | Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets. |
|---|---|

◉ We do the following

☐ Allocation between asset classes

☐ Determining fixed income duration

☑ Allocation of assets between geographic markets

☐ Sector weightings

☐ Other, specify

○ We do not consider ESG issues in strategic asset allocation

| SG 14 | Mandatory to Report Voluntary to Disclose | Public | Descriptive | PRI 1 |
|---|---|---|---|---|

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

| SG 14.1 | Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas. |
|---|---|

◉ Yes

| SG 14.2 | Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description. |
|---|---|

| | Area |
|---|---|

☐ Clean technology (including renewable energy)

☐ Green buildings

☑ Sustainable forestry

| | Asset class invested |
|---|---|

☑ Forestry

| | % of AUM |
|---|---|

100

| | Brief description of investment |
|---|---|

Working timberland assets which are sustainably managed.

☐ Sustainable agriculture

☐ Microfinance

☐ SME financing

☐ Social enterprise / community investing

☐ Affordable housing

☐ Education

☐ Global health

☑ Water

| | Asset class invested |
|---|---|

☑ Forestry

| | % of AUM |
|---|---|

100

| | Brief description of investment |
|---|---|

Potential to manage forests for water quality and quantity.

☐ Other area, specify

○ No

| SG 15 | Mandatory | Public | Descriptive | General |
|---|---|---|---|---|

| SG 15.1 | Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold. |
|---|---|

| Asset Class | Describe what processes are in place and the outputs or outcomes achieved |
|---|---|
| Forestry | As of December 31 2016, these are the conservation outcomes that have resulted from Conservation Forestry Partners transactions:<br><br>7 Federally listed species (including candidate listings) identified as endangered or threatened and that exist on CFP timberlands.<br><br>265,010 Acres protected by conservation easements in perpetuity 81,192 Acres in new reserves 99.9% Percentage of acres with third-party certification under Forest Stewardship Council or Sustainable Forestry Initiative 576 Lakes and ponds on CFP ownerships within sustainably managed timberlands that are not permanently protected 226 Lakes and ponds partially or completely protected from development (Footnote 2) 861 Miles of streams and rivers under permanent conservation protection 1530 Miles of streams and rivers in sustainably managed forest with no permanent conservation restrictions 582 Miles of common boundaries with existing protected areas (as defined by the Protected Area Database of the U.S.) (Footnote 3) 47% Percentage of boundary with protected area that is itself protected<br><br>Footnotes: 2 Lakes and ponds as defined by the USGS National Hydrography Dataset 3 Protected areas are defined based on the Protected Area Database for the U.S., which is maintained by the Conservation Biology Institute.<br><br>Conservation Forestry Partners reports on a set of conservation metrics annually. |

| SG 15.2 | Additional information [Optional]. |
|---|---|

Conservation Forestry Partners, as part of our general investment strategy, have 99.9% of our timberland assets certified under the Forest Stewardship Council and/or Sustainable Forestry Initiative certification programs. These are third party certification programs where our management practices are audited and compliance is assured. CFP also partners with various NGO's (land trusts and preservation groups) and State and Federal Governmental Agencies (State Fish and Game Departments, the United States Fish and Wildlife Department and the like). Our partnerships with these groups are in many cases legally binding contractual agreements that define and dictate how our timberland assets can be managed. These legally binding contractual agreements generally take the form of working forest conservation easements and/or Habitat Conservation Plans (HCP's) that contain audit, reporting and oversight requirements. Working forest conservation easement are legal contracts that typically permit the ongoing use of the property for sustainable timber management while restricting certain development rights such as subdivision or mining. HCP's are management programs that dictate how a property is to be managed because of the existence of flora or fauna that are Federally listed as threated or endangered under the Endangered Species Act. CFP has, as part of our internal staff, foresters who are focused on our sustainable forestry management approaches, and we have conservation staff that are focused on additional conservation opportunities. CFP also works with external accountants and legal advisors on issues of governance, as well as customary due diligence efforts associated with land acquisition or management.

## Innovation

| SG 17 | Voluntary | Public | Descriptive | General |
|---|---|---|---|---|

| SG 17.1 | Indicate whether any specific features of your approach to responsible investment are particularly innovative. |
|---|---|

◉ Yes

| SG 17.2 | Describe any specific features of your approach to responsible investment that you believe are particularly innovative. |
|---|---|

Conservation Forestry Partners seeks to work with conservation organizations on a transparent basis. In this way both groups should be able to allocate their resources to the assets most important to them in a manner which is collaborative rather than confrontational. Our philosophy on all transactions we partake in is that each should be a good deal for all parties involved. We do not pursue a short-term win that views partnerships as a zero-sum game where our gain is someone else's' loss. Rather, we try to find solutions in which each partnership with a conservation organization helps leverage the goals and objectives of both our investors and those of our conservation partners. CFP developed a database system linked to GIS for tracking and reporting on our conservation and other non-financial outcomes from investments. This allows us to track on an ongoing basis a set of metrics, which can be reported to investors alongside typical financially-oriented annual reports. We believe we are one of the first timber investment funds to do this and to report annually on non-financial metrics associated with our investments.

○ No