Website Disclosure

Summary

Conservation Resources Forest Fund VII LP ("Fund VII" or "the Fund") was formed to provide qualified investors with the opportunity to realize a competitive risk-adjusted rate of return by purchasing, managing, and disposing of real asset timberland properties in cooperation with Conservation Organizations[1] that have identified the prospective properties as having conservation and/or environmental values.

The Fund is being organized to invest in timberland properties ("Timberland Properties") as well as associated revenue streams, operations and attributes, and ecosystem services. In addition, the Fund may invest a percentage of up to 10% of aggregate Commitments (as defined below) in certain "integrated" opportunities along the timberland value chain. Integrated investments may take the form of direct investments in project- or asset-level opportunities, early-stage or growth equity investments, and/or private equity.

Conservation Resources believes the Fund's investment program will be enhanced by utilizing regenerative forest management principles in connection with its portfolio of Timberland Properties. Conservation Resources has been at the forefront of sustainable forest management practices since 2004. Throughout Conservation Resources' history, it has been a trendsetter in creating value by fostering environmental benefits on the lands it manages. Today, Conservation Resources continues to set the standard for creating value through its environmental focus with its innovative regenerative forest management practices. Rather than managing timberland in a traditional sense of concentrating on growing trees faster with the use of intensive forest management practices that rely heavily on soil disturbance and inputs such as fertilizers and herbicides, Conservation Resources will emphasize improving the overall health and quality of the soils of the forests to create a healthy and more biodiverse forest ecosystem.

We believe that through the use of regenerative practices, the Fund's Timberland Properties can, through natural means, affect healthier and more productive timberlands by focusing on soil health and biodiversity. As a result, climate change-related extreme weather events may present fewer risks and hazards to our investments.

In summary, the Fund intends to integrate the disciplines of real asset investing with sustainable forestry, while capitalizing on emerging opportunities to monetize related biodiversity, water and similar ecosystem services associated with the Fund's investments.

Fund VII contributes to the environmental sustainable investment objective of Sustainable Land Use by investing in assets with sustainable land use while maintaining the ability to make limited investments in value-added businesses, technologies or other managed land that support the underlying goal of sustainable land use.

Fund VII defines 'sustainable land use' as implementation of sustainable forest management that meets the requirements of various third-party certification systems. Fund VII intends to have each property in the Fund certified by one or more of the following: the Forest Stewardship Council (FSC), the Sustainable Forest Initiative (SFI), or the Regenified regenerative forest practices standard. The Fund further defines sustainable integrated investments as those which support the Advisor's six Impact Areas (carbon sequestration, biodiversity, water conservation, land conservation, certification, community & economic), and other land use initiatives that enable the land to be operated in a sustainable manner for the long-term.

The Properties will be located principally in the United States, but the Fund may also make selective investments in other regions of North America.

The following sustainability indicator will be used to measure the attainment of the sustainable investment objective of the financial product:

- Share of investments in assets with sustainable land/agriculture practices or policies.

All assets in Fund VII are screened for this purpose and evaluated on their contribution to the sustainable investment objective during the due diligence stage and are monitored post-acquisition. To ensure data quality, the Fund has worked since its founding with the two leading forest certification standards, FSC and SFI, as well as more recently with the Regenified forestry standard.

The Fund intends to make sustainable investments that do not cause any significant harm to other environmental or social objectives. In this respect, Principal Adverse Impact (PAI) indicators are employed to assess the potential negative

[1] "**Conservation Organizations**" include, but are not limited to, non-governmental agencies such as land trusts, wildlife protection groups, federal, state, and local governmental agencies, and private groups focused on conservation outcomes.

impact that an asset's activity could have on ESG factors using an internal Sustainable Investment Framework for Fund VII ("SI Framework").

14 mandatory PAI indicators and two voluntary PAI indicators are used, each equipped with pre-defined expectations and/or thresholds. Conservation Resources assesses potential sustainability impacts using the PAIs throughout the investment lifecycle of Fund VII, including when screening potential assets/investee companies and conducting due diligence. When deemed appropriate based on these assessments, Conservation Resources proposes post-acquisition action plans to reduce the risk of adverse impacts materializing.

The 14 mandatory PAIs per Annex 1 in Regulation (EU) 2022/1288 of 6 April 2022 are considered for Fund VII. The two voluntary PAIs used are:

- Environmental PAI- Share of investments in investee companies without sustainable land/agriculture practices or policies
- Social PAI- Share of investments in investee companies without a workplace accident prevention policy

Fund VII also employs pre-defined expectations/thresholds defined in the SI Framework to screen and monitor each asset to ensure they meet their fundamental obligations in line with the OECD MNE Guidelines and the UN Guiding Principles on Business and Human Rights. In addition, Fund VII monitors each acquired asset in the post-acquisition period for potential violations.

The Fund maintains detailed records, including on-site inspections, and conducts ongoing assessments of the Fund's assets, focusing on the sustainability indicator used in measuring the attainment of the sustainable investment objective. Further, annual post-acquisition monitoring is conducted by staff, reviewed by the Chief Conservation Officer, presented to the Board, and posted on the website for the Fund.

The approach to managing limitations in the Fund's methodology is inherently linked to the use of third-party certifications, integral in validating the forestry practices of the investments, ensuring they adhere to sustainable forestry standards. Audits are conducted by different individuals at the certifier's end, and it is possible that any given individual could interpret the standards differently. However, the random assignment of auditors by the certifier ensures that over time, the standard for certification is evenly applied. Independent of certifications, the Fund requires its operations team to monitor the management of the assets with frequent visits to review operations, compliance of contract terms, and identification of any issues that need to be addressed.

The Fund does not seek alignment with Regulation (EU) 2020/852 (EU Taxonomy). Fund VII's investment assets will be located principally in the United States. Additionally, the implementation of EU Taxonomy does not provide tangible benefits on the local market in line with the Fund's investment strategy and objectives. Moreover, adherence to the EU Taxonomy is deemed economically impractical, given the associated costs and resource implications for the Fund. Consequently, none of the investments are classified under the 'Taxonomy-aligned' category.

No significant harm to the sustainable investment objective

(a) The Fund intends to make sustainable investments that do not cause any significant harm to other environmental or social objectives. In this respect, PAI indicators are employed to assess the potential negative impact that an asset's activity could have on ESG factors using an internal SI Framework for Fund VII with pre-defined expectations and/or thresholds.

14 mandatory PAIs per Annex 1 of Regulation (EU) 2022/1288 of 6 April 2022 and two voluntary PAI indicators are considered for Fund VII. The two voluntary PAIs are:

1. Environmental PAI- Share of investments in investee companies without sustainable land/agriculture practices or policies
2. Social PAI- Share of investments in investee companies without a workplace accident prevention policy

Conservation Resources assesses potential sustainability impacts using the PAIs throughout the investment lifecycle of Fund VII using the SI Framework as follows:

- Due Diligence: Conducting an initial screening to assess the suitability of investing in a potential asset, followed by a comprehensive assessment using specific PAIs, including criteria like emissions to water and impact on biodiversity to identify potential adverse environmental and social impacts that inform the investment decision.

- Investment: Integrating contingencies, mitigation measures or remediation plans in the contractual agreements and addressing any identified concerns during the due diligence stage.
- Post-acquisition: Establishing robust reporting processes and programs to:
  - Monitor the PAIs of the assets and track the performance of the PAIs relative to the due diligence status;
  - When deemed relevant, address any incidents related to relevant potential adverse impacts through a defined process involving senior leadership for the Fund (defined as the "Board")[2].
  - Annual post-acquisition monitoring is conducted by staff, reviewed by the Chief Conservation Officer, presented to the Board, and posted on the website for the Fund.

(b) The Fund uses the SI Framework with pre-defined expectations and/or thresholds to screen and monitor each asset to ensure they meet their fundamental obligations in line with the OECD MNE Guidelines and the UN Guiding Principles on Business and Human Rights. In addition, Fund VII monitors each acquired asset in the post-acquisition period for potential violations.

Fund VII falls outside the scope of a covered entity for purposes of the OECD Guidelines for Multinational Enterprises as it is not a multinational enterprise. Nevertheless, relevant questions from the Guidelines were incorporated in the due diligence process.

Within the SI Framework, two PAIs 'Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises' and 'Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises' are utilized for this purpose. The assessment is conducted throughout the investment cycle by:

- Due diligence: Engaging with potential assets to gather information on their processes and compliance mechanisms related to the above standards;
- Investment: Incorporating contingencies, mitigation measures, and remediation plans in contractual agreements, where relevant, to ensure compliance with any concerns identified during the due diligence stage;
- Post-acquisition: Monitoring and implementing an ongoing assessment of the track record and any breaches by the assets post-acquisition.

Annual post-acquisition monitoring is conducted by staff, reviewed by the Chief Conservation Officer, presented to the Board, and posted on the website for the Fund.

Sustainable investment objective of the financial product

Fund VII contributes to the environmental sustainable investment objective of Sustainable Land Use by investing in assets with sustainable land use while maintaining the ability to make limited investments in value-added businesses, technologies or other managed land that support the underlying goal of sustainable land use.

This Fund defines 'sustainable land use' as implementation of sustainable forest management that meets the requirements of one or more of the following third-party certification systems: the Forest Stewardship Council (FSC), the Sustainable Forest Initiative (SFI), or the Regenified regenerative forest practice standard. The Fund further defines sustainable integrated investments as those which support the Advisor's six Impact Areas (carbon sequestration, biodiversity, water conservation, land conservation, certification, community & economic), and other land use initiatives that enable the land to be operated in a sustainable manner for the long-term.

Investment strategy

(a) The investment strategy of Fund VII to attain the sustainable investment objective includes:

- Assessing potential sustainability risks of Fund VII throughout the investment cycle;

[2] 'Board' as defined in Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 means the administrative, management or supervisory body of a company.

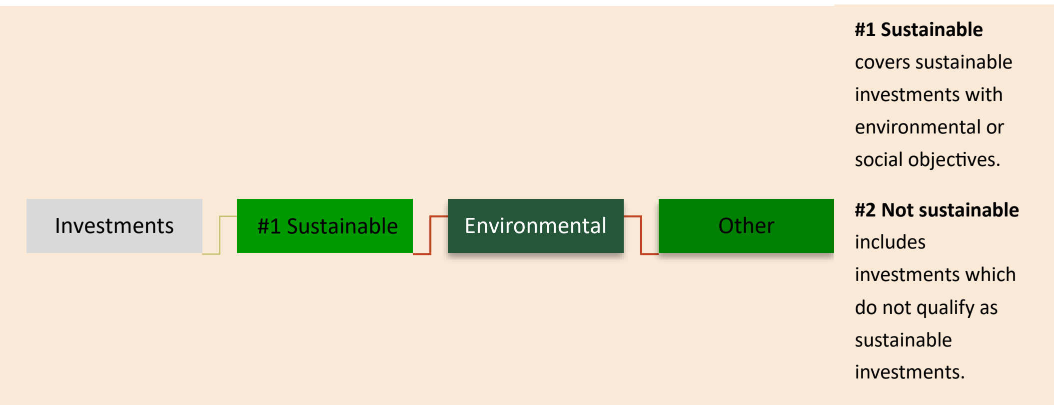
- Contributing to the environmental sustainable investment objective Sustainable Land Use by investing in assets that meet the definition of Sustainable Land Use as specified in the section *'Sustainable investment objective of the financial product'*;
- Employing PAIs to evaluate the potential negative impact that the financial product may have on ESG factors throughout the investment cycle;
- Assessing good governance practices of assets and refraining from investing in those that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights;
- Monitoring assets post-acquisition to evaluate their continued alignment with the environmental sustainable investment objective Sustainable Land Use, tracking PAI performance and monitoring continued adherence to good governance requirements.

(b) For Fund VII, the policy to assess good governance practices of the assets includes:

- The Fund evaluates all assets to determine their compliance with the good governance principles as outlined in Article 2(17) of the EU Regulation 2019/2088. These include sound management structures, employee relations, remuneration of staff and tax compliance. In addition, assets are screened for their adherence to the OECD MNE Guidelines and the UN Guiding Principles on Business and Human Rights.
- Through its due diligence of the assets, the Fund conducts a review of pertinent policies, risk assessment protocols, mitigation strategies, remediation actions and trainings for addressing any identified gaps, all while ensuring that rigorous reporting standards are upheld, amongst other measures.
- Annual post-acquisition monitoring is conducted by staff, reviewed by the Chief Conservation Officer, presented to the Board, and posted on the website for the Fund.

Proportion of investments

One-hundred percent (100%) of Fund VII's investment assets that contribute to the environmental sustainable investment objective Sustainable Land Use are classified in the 'Other' category. The Fund does not seek alignment with Regulation (EU) 2020/852 (EU Taxonomy). Fund VII's investment assets will be located principally in the United States. Additionally, the implementation of EU Taxonomy does not provide tangible benefits on the local market in line with the Fund's investment strategy and objectives. Moreover, adherence to the EU Taxonomy is deemed economically impractical, given the associated costs and resource implications for the Fund. Consequently, none of the investments are classified under the 'Taxonomy-aligned' category.



Monitoring of sustainable investment objective

The investment team conducts ongoing assessments of the Fund's assets, focusing on the sustainability indicator used in measuring the attainment of the sustainable investment objective. Conservation Resources maintains detailed records capturing forest management plans and sustainable land use practices in conjunction with our third-party managers.

These records in part provide the data necessary to achieve third-party certification in line with the Fund's sustainable investment objective, alongside data collected during on-the-ground site visits.

These internal reviews with external checks ensure continuous adherence to sustainable land use practices. The team additionally undertakes a secondary level of controls to identify any potential breaches. Detected breaches are addressed promptly through investigations with swift implementation of solutions, where relevant, maintaining a proactive approach to risk management. Further, annual post-acquisition monitoring is conducted by staff, reviewed by the Chief Conservation Officer, presented to the Board, and posted on the website for the Fund.

Methodologies

Fund VII has developed and adopted an internal SI Framework to assess the sustainability indicator used in measuring the attainment of the sustainable investment objective.

The sustainability indicator 'share of investments in assets with sustainable land/agriculture practices or policies' is evaluated as follows:

- Due diligence: Refer to the section *'Due Diligence'*.
- Investment: Fund VII adopts a comprehensive strategy to ensure contribution to the sustainable investment objective of Sustainable Land Use. Fund VII incorporates contractual contingencies by integrating specific provisions in contractual agreements that articulate sustainable land/agriculture practices or policies. In instances of identified gaps, finite timelines are established to ensure the achievement of the objective. Additionally, where required, the Fund includes mitigation measures in contracts to proactively manage and address any potential negative effects or risks that could impact the attainment of the sustainable investment objective. The Fund also incorporates remediation plans in contracts, where relevant, outlining specific actions to address deviations from sustainable land/agriculture practices. Clearly defined protocols for actions ensure a structured approach to rectifying any potential issues and ensuring ongoing alignment with the defined sustainability indicator.
- Post-acquisition: Refer to the section *'Monitoring of sustainable investment objective'*.

Data sources and processing

(a) The data sources used to achieve the sustainable investment objective of the financial product are derived from third-party certifications related to the Sustainable Land Use criteria (specified in the section *'Sustainable investment objective of the financial product'*) for the Fund's timberland properties. Upon the selection of a certifier, these certifications become integral in validating the sustainable forestry practices of the investments.

(b) The measures taken to ensure data quality start with a deliberate process in selecting third-party certifiers. We conducted a comprehensive review of certification bodies to assess their governance structures, level of rigor, emphasis on outcomes over outputs, emphasis on quantitatively-backed measurement inputs, inclusion of physical on-the-ground sampling, and commitment to continuous improvement. This review resulted in selecting FSC, SFI and Regenified for our sustainable forestry certification. Data submission to achieve these certifications involves precise records demonstrating the fertilizer and pesticide inputs applied to the properties, management plans, harvests records, and biodiversity safeguards, among others. Additional data is procured from on-site visits by certification inspectors, such as discussions with labor and contractors, and stakeholder input from neighbors and interested parties. Governance oversight is handled through the Fund's Director of Operations as well as the Regional Forest Managers. The Managers are responsible for the recordkeeping and submission of certification requirements, with oversight from the Director of Operations. Fund staff participate in certification audits to identify shortcomings and develop solutions.

(c) Upon receiving the third-party certification for the assets, the Fund files the certification reports in a secure internal database and maintains the underlying submission data in conjunction with its property managers. Further, the Fund has implemented reporting processes for its assets at the earliest possible point in time and no later than 12 months post-acquisition to ensure ongoing monitoring of the assets.

(d) Proportion of data that are estimated: 100% of the results reported are based on data. 0% is based on estimates.

Limitations to methodologies and data

The approach to managing limitations in the Fund's methodology is inherently linked to the use of third-party certifications, integral in validating the forestry practices of the properties. Audits are conducted by different individuals at the certifier's end, and it is possible that any given individual could interpret the standards differently. However, the random assignment of auditors by the certifier ensures that over time, the standard for certification is evenly applied.

Independent of certifications, the Fund requires its operations team to monitor management of the properties with frequent visits to review operations, monitor compliance of contract terms, and identify issues that need to be addressed. This is a first line of defense, and certification audits becomes an independent check for the Fund.

Due diligence

Fund VII adopts a comprehensive due diligence process for all of its assets. Due diligence for every property includes the following:

- The process begins with screening to determine if the property can be managed in a way that meets the definition of Sustainable Land Use. This may involve changes to the operations of the property after purchase.
- A detailed assessment of financial feasibility, which includes due diligence on items like water quality and quantity, threatened and endangered species issues, a third party assessment of hazardous waste issues (Phase 1), and review of all contracts and market issues.
- Every property is reviewed to assess the potential negative impact that the financial product may have on ESG factors throughout the investment cycle based on 14 mandatory PAIs and two voluntary PAIs.
- Screening assets for their adherence to good governance practices and refraining from investing in those that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

For each of the above due diligence questions, Fund VII has established pre-defined thresholds and/or expectation values using the SI Framework to ensure compliance.

Engagement policies

The Fund intends to invest directly in land and integrated investments. Integrated investments may take the form of direct investments in project- or asset-level opportunities, early-stage or growth equity investments, and/or private equity. It does not expect to invest in listed equities or public companies, and the Fund does not expect any situations where engagement in proxy voting or similar issues will arise. The primary engagement policy of the Fund is a restriction on the Fund from engaging in or paying for lobbying, nor can the Fund provide funding to groups that engage in lobbying as defined by the US Internal Revenue Service. Because the Fund's policy is a prohibition on "Engagement," no Principle Adverse Impacts are linked to Engagement.

Regarding land acquisition, Fund VII completes screenings prior to acquisition to review assets for their adherence to good governance practices. The Fund refrains from investing in assets that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights. Further, the Fund engages with potential stakeholders, such as current tenants, conservation partners, local communities, and/or property managers to ensure a transparent land transfer process that follows all legal procedures. The Fund follows this same engagement process regarding its integrated investments to ensure all legal procedures are followed.

Attainment of the sustainable investment objective

No reference benchmark including a EU Climate Transition Benchmark or a EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 has been designated for this financial product, in line with the Fund's primary objective of biodiversity conservation.