



**NATURE & BIODIVERSITY
REPORT 2024**

&GREEN FUND'S IMPACT INVESTMENT STRATEGY

&Green is a thematic investor committed to supporting businesses that align with its core mission of delinking deforestation from major commodity supply chains. Our goal is to transform large-scale commodity production in tropical forest regions into a model that is climate-resilient, deforestation-free, and socially inclusive. We identify front running companies in tropical forest regions and support them with capital, advice, and reputational support, building long-term partnerships with these industry change-agents. &Green finances transactions that have a clear investment rationale demonstrating how our financing will effectively separate deforestation and land degradation from commodity production in a way that is commercially viable. This investment rationale leads to developing blueprint transactions.

&Green's investment philosophy aims to offer financial markets a credible proof of concept how inclusive economic growth can coexist with forest and peat protection (and potentially restoration) while financing commodity production in tropical landscapes. This is achieved through:

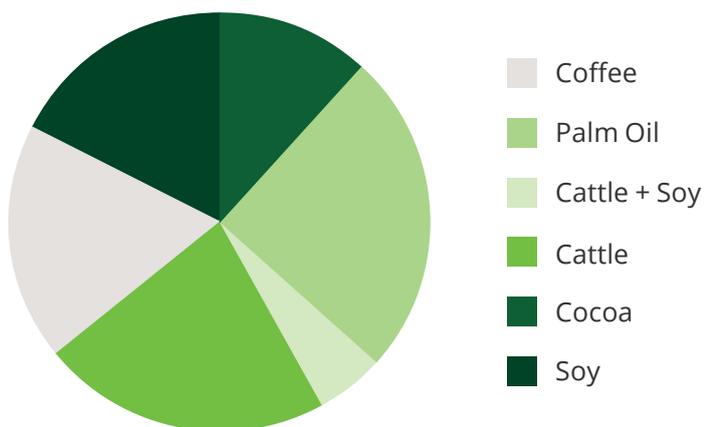
- Providing credit facilities only in jurisdictions with progressive forest and/or peat protection agendas and sustainable development strategies.
- Incorporating quantitative and qualitative output- and outcome-based environmental and social (E&S) criteria and targets to the financing of commodity production.
- Improving the livelihoods of smallholders by integrating them into high-productivity, sustainable supply chains.
- Leading transactions from a credit (financial safeguarding) and environmental (sustainability safeguarding) perspective to attract co-investment into such projects.
- Stimulating innovation in business models and approaches to catalyze financially sustainable, deforestation free, socially inclusive, high productivity agriculture in tropical forest landscapes.

We focus on the tropical regions of Latin America, Africa, and Southeast Asia, where forests and peatlands face significant threats from agricultural expansion and unsustainable practices. Our goal is to finance the transformation of these supply chains from extractive to sustainable models, setting blueprints for others to adopt, replicate, and scale.

&Green targets sectors linked to land degradation and deforestation. Sectors include agriculture (palm oil, soy, coffee, cocoa among others), cattle/dairy, and plantation forestry (such as rubber). By the end of 2023, USD 170.7 million were invested in the agricultural sector.

COMMODITY	AMOUNT INVESTED (MILLION USD)	PROPORTION AUM
Coffee	20.00	13%
Palm Oil	42.00	27%
Cattle + Soy	10.00	6%
Cattle	37.70	24%
Cocoa	30.00	20%
Soy	30.00	19%

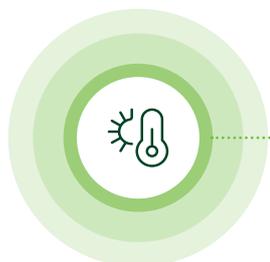
DISTRIBUTION OF INVESTMENTS PER COMMODITY TYPE



The Fund's strategy, aligned with its mission, focuses on generating four well-defined impact objectives:



Conservation and Restoration of Natural Forests: The primary focus of the &Green Fund is to conserve existing tropical forests and, wherever feasible, to restore them. This commitment plays a critical role in enhancing biodiversity across the landscapes where the Fund operates.



Climate Benefits: The &Green Fund makes a significant contribution to climate change mitigation by protecting and restoring forests while concurrently implementing improved agricultural land use practices. These activities help sequester carbon and reduce emissions, addressing global climate challenges.



Enhanced Ecosystem and Community Resilience: The &Green Fund's initiatives bolster the resilience of both natural and agricultural ecosystems. This is achieved through protection and restoration efforts and by incorporating climate adaptation actions into the Environmental and Social Action Plans (ESAPs). As ecosystems become more robust, the resilience of farmers and local communities within these landscapes is simultaneously strengthened.



Improved Livelihoods: &Green Fund investment leads to enhanced management, agricultural practices, and community engagement which delivers substantial benefits to local people. These benefits include access to essential community services, improved climate resilience, and opportunities for education and capacity building. This holistic approach ensures that the livelihoods of those in the invested landscapes are sustainably improved.

REPORTING METRICS ON NATURE & BIODIVERSITY

**Disclaimer: Consistent with our commitment to sustainable practices and transparent reporting, our first nature and climate report focuses on the most significant indicators and metrics. For the reporting year 2023, these metrics reflect positive impacts on nature within the landscapes covered by our Landscape Protection Plans. Our primary focus is on data related to forests and land use. For other types of performance, such as GHG emissions, waste, effluents, and similar outputs from our investees, we are consolidating the data and plan to incorporate these aspects into our nature and climate reporting in the upcoming year.*

FORESTS PROTECTED WITHIN &GREEN'S LPP

Forest protection is a crucial strategy for preserving biodiversity and ecosystem services, and this is the major positive impact of our investments. To assess how well we are doing in preserving and reviving forests, &Green keeps track of the area of natural forests and peatlands that are being conserved or brought back to life as part of our investees' Landscape Protection Plans (LPPs).

To define a forest, we use the national definition adopted by each jurisdiction based on their Forest Reference Emission Level (FREL). Typically, this national definition aligns with the internationally agreed-upon definition used by the Food and Agriculture Organization (FAO) and the United Nations Framework Convention on Climate Change (UNFCCC). According to this definition, a forest is land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use.

National governments may adjust this definition to suit local conditions, for example, including or excluding plantations. &Green focuses on natural forests, irreplaceable for biodiversity and ecosystem services, omitting tree plantations (see Box 1).

&GREEN'S UNDERSTANDING OF NATURAL FOREST

&Green relies on the Accountability Framework Initiative to define natural forest.

A natural forest is a natural ecosystem which possesses many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests include:

- Primary forests that have not been subject to major human impacts in recent history.
- Regenerated (second-growth) forests that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging) but where the main causes of impact have ceased or diminished, and the ecosystem has regained much of the species composition, structure, and ecological functions similar to its state before the impact or those of other contemporary natural systems.
- Managed natural forests where much of the ecosystem's composition, structure, and ecological function exist in the presence of activities such as:
 - Harvesting of timber or other forest products, including management to promote high-value species
 - Low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic.
- Forests that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.

To determine the total area of natural forest protected under the LPPs, we sum the areas of natural forest from all our deals, regardless of their stage of conservation and/or restoration (see Figure 4).

To identify forests in its landscapes, &Green relies on renowned global datasets. When reliable and jurisdictionally recognized datasets are available and regularly updated, these are preferred. Currently, &Green uses the [Global Forest Change](#) (University of Maryland) datasets, combining them with the [Tropical Moist Forest \(TMF\)](#) dataset to exclude plantations, where applicable. For its Brazilian transactions, &Green uses [MapBiomas](#) datasets, taking into account the forest formation and savanna formation classes within the Forest category. For the cocoa production, &Green uses [Cocoa farming map 2019-2021](#) to refine the results of forest identification.

PROTECTED FORESTS

Our Landscape Protection Plans protected around 3.1 million hectares of tropical forests in 2023. Around 45% of these forests are primary, or undisturbed¹.

PROTECTED ECOSYSTEMS

Our protected forests are distributed in the following terrestrial ecosystems, or biomes², over the globe³:

- [Tropical/Subtropical lowland rainforests](#): 180,598 hectares. 90% of this ecosystem occurs in Mato Grosso state, in the Marfrig's supply chain.

This ecosystem is home to a wide variety of species, each finding its place within a layered structure of plant life. The dense forest canopies keep the soil moist and full of leaf litter, which fungi and bacteria break down. Invertebrates thrive throughout the forest, supporting many vertebrate species, especially mammals and birds, which are key for spreading seeds and pollinating plants. Near the equator, the climate is stable and humid all year, while subtropical areas have more seasonal changes with mild winter frosts. These forests are known for their complex structure and high productivity, supporting a rich diversity of plants and animals and maintaining intricate food webs.

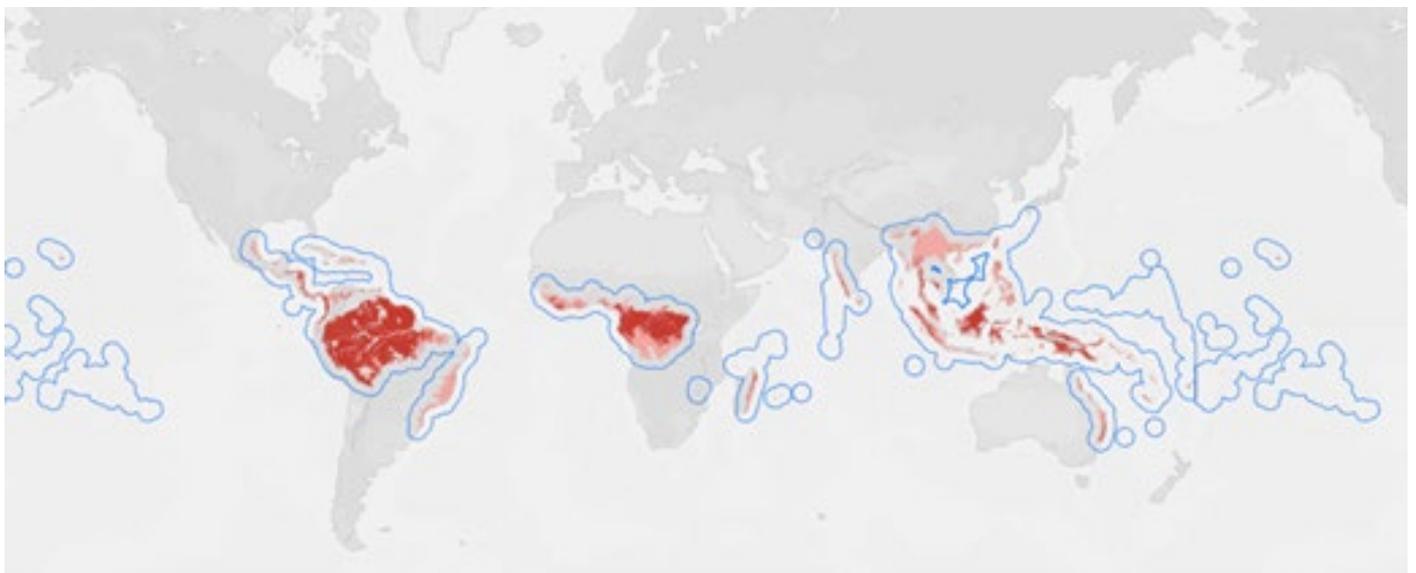


Figure 1. Distribution of tropical/subtropical lowland land forests.

¹&Green considers forest with crown cover over 90% as undisturbed or primary, using the [Global Forest Change](#) datasets.

²TNFD defines biomes as types of ecosystems that are generally defined by the type of plant life that they support in response to average rainfall and temperature patterns. Biomes in different locations are likely to provide similar types of ecosystem services as a flow of benefits to business and society and are also likely to be affected by similar impact drivers.

³&Green uses the IUCN Red List of Ecosystems, namely the dataset [IUCN Global Ecosystem Typology](#), updated November 2023.

- **Tropical/Subtropical dry forests and thickets:** 1,273,074 hectares. 100% of the &Green landscapes within this ecosystem occur in Mato Grosso, Brazil.

Tropical-subtropical dry forests and thickets have fertile soil and experience seasonal dryness. The forests have a mix of evergreen and drought-deciduous trees, many vines, and fewer epiphytes, ferns, and mosses due to the dry season. These forests often have trees that lose their leaves during dry seasons. Plant growth is seasonal, limited by water availability. While overall biodiversity is lower than in some other forests, tree and vertebrate diversity is high. Grasses are rare, except near savannas, due to tree shading and water competition. The food webs include many herbivores, fruit-eaters, and carnivores. Most nutrients are stored in vegetation or cycled through litter. Trees have thin bark, low fire tolerance, and can grow in shaded areas. These forests adapt to seasonal drought and make use of available moisture, with new growth occurring in tree-fall gaps. They may interact with savannas in fire-regulated ecosystems.

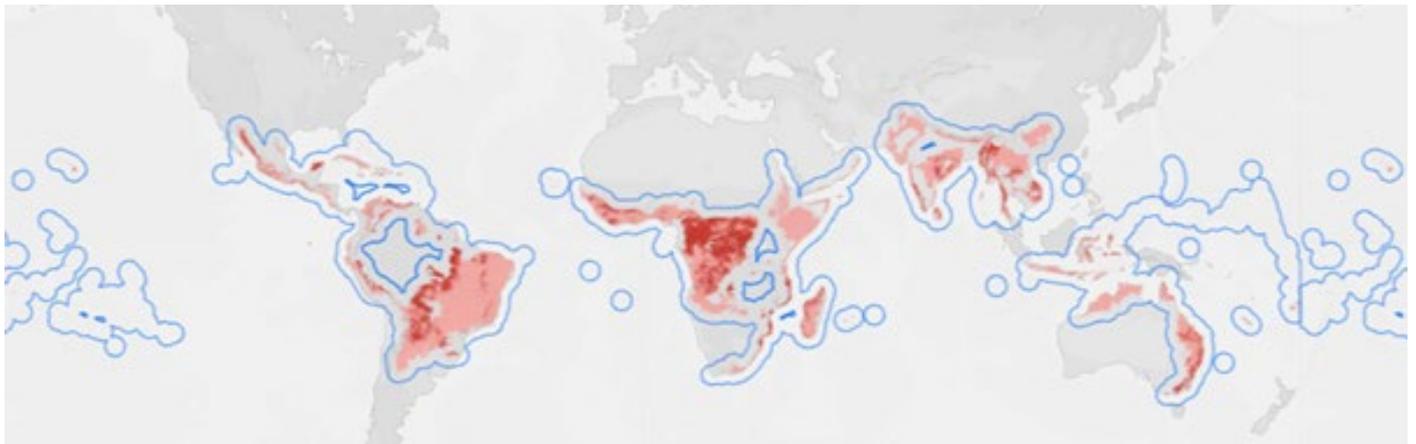


Figure 2. Tropical/Subtropical dry forests and thickets.

- **Tropical heath forests:** 3,528 hectares. This ecosystem is represented in the DSNG landscapes that make part of &Green LPP.

These unique forests, found mainly in Amazonia and Southeast Asia, grow on less fertile, acidic sandy soils. They have dense clusters of low, slender trees that let light reach the moss-covered forest floor. Compared to other tropical forests, they have lower productivity and simpler food webs, with fewer plant and animal species, including amphibians and reptiles.

The trees, usually 5-20 meters tall, have thin stems and small, leathery leaves that grow vertically, allowing more light to penetrate. Adaptations like insect-eating plants and nitrogen-fixing microbes are common. While the diversity of species is low, there is high dominance and endemism. The forest floor is sparse, mostly covered by insectivorous plants and mosses, with many epiphytes but few lianas.



Figure 3. Distribution of tropical heath forests

- **Tropical flooded forests and peat forests***: 217,701 hectares. 100% of the &Green landscapes within this ecosystem occur in Mato Grosso, Brazil.

These tropical swamps have closed canopies, high rainfall, and consistent temperatures year-round. Some have peat in black water, while others are nutrient-rich white-water systems. Trees, palms, pitcher plants, mosses, and ferns grow in waterlogged or periodically flooded soils.

These swamps have high biomass and evergreen canopies with unseasonal growth. Productivity is high in white-water systems and low in black-water systems. Trees adapt to low-oxygen soils with special roots. Palms and hydrophytes are common, while lianas and grasses are rare. These swamps have low species diversity but some unique species. The ecosystem is structured by water levels and includes birds, primates, amphibians, macro-invertebrates, and crocodiles. Plants spread by water or animals, and new growth occurs after treefall, storms, or floods.

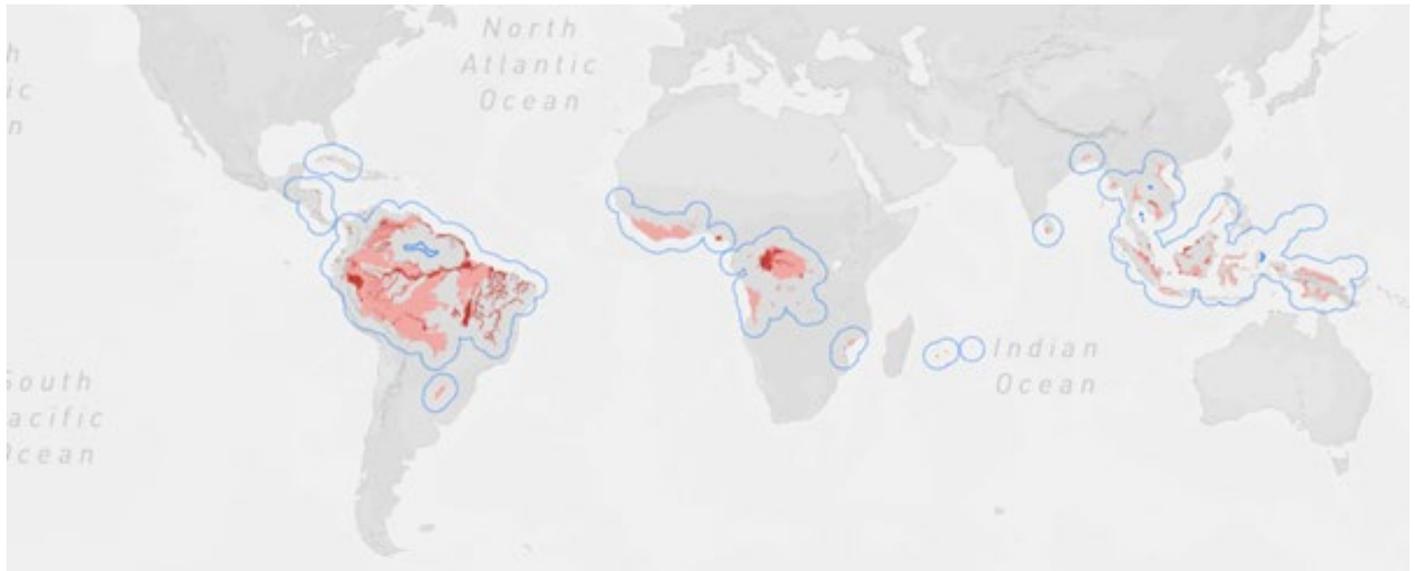
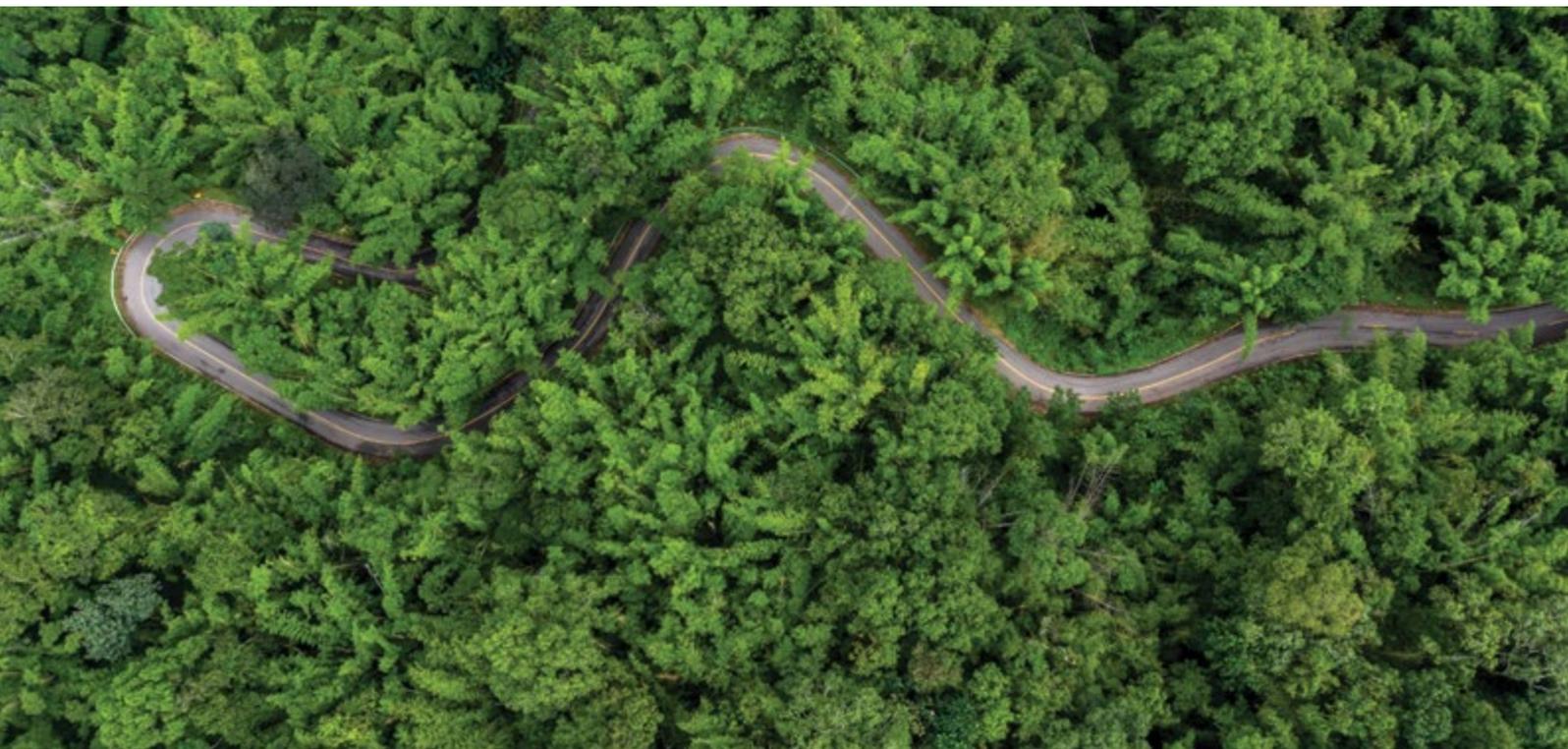


Figure 4. Tropical flooded forests and peat forests.

*All &Green investees are committed to No Deforestation, No Development of Peatlands, and No Exploitation (NDPE).



BRAZIL: AMAZON AND CERRADO BIOMES

In Brazil, &Green's landscapes are present in two important biomes - Amazon Rainforest, the most biodiverse biome in the world, and Cerrado, the most biodiverse tropical savanna in the world.

Amazon Biome: 1,591,346 hectares

The Brazilian Amazon biome is a vast tropical rainforest with high biodiversity. It features dense canopies, tall trees, and a complex ecosystem with a wide variety of plants and animals. The climate is hot and humid year-round with significant rainfall. The forest plays a crucial role in global carbon storage and climate regulation. It supports numerous species, including many that are endemic and some that are endangered. Human activities like deforestation and mining pose significant threats to this biome, impacting its ecological balance and biodiversity. It hosts an incredibly rich variety of plant and animal species, many of which are endemic.

Cerrado Biome: 1,579,261 hectares

The Brazilian Cerrado biome is a vast tropical savanna characterized by a mix of grasslands, shrubs, and scattered trees. It experiences distinct wet and dry seasons, with periodic fires playing a natural role in its ecosystem. The Cerrado is known for its high biodiversity and endemism, including various plant, bird, and mammal species. It is an important agricultural region but faces threats from extensive farming, cattle ranching, and deforestation. Conservation efforts are crucial to protect its unique flora and fauna and maintain the ecological balance.

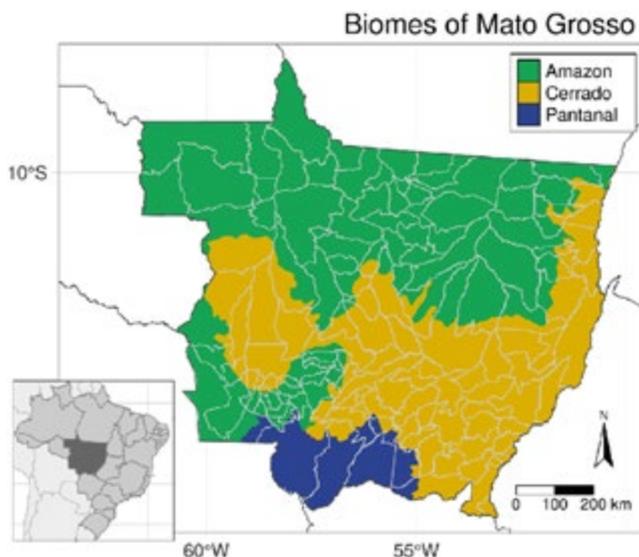


Figure 5. Distribution of Amazon and Cerrado biomes in Mato Grosso, Brazil. [Source](#).

RED LIST SPECIES

The habitats safeguarded by &Green play a crucial role in preserving biodiversity. These landscapes are not only home to a wide variety of flora and fauna but also provide essential support for the survival of numerous species listed on the Red List. By protecting these vital ecosystems, &Green ensures the conservation of species that are at risk of extinction, highlighting the importance of its investment in maintaining and enhancing global biodiversity. &Green tracks the number of threatened species within its landscapes using the [IUCN Red List](#), the world's most comprehensive information source on the global extinction risk status of animal, fungus and plant species.

Critically Endangered: 12

The species faces an extremely high risk of extinction in the wild in the immediate future.

Endangered: 29

The species faces a very high risk of extinction in the wild in the near future.

Vulnerable: 66

The species faces a high risk of extinction in the wild in the medium-term future.

SUSTAINABILITY

GOVERNANCE

&Green's Investment Principles address how effective delivery of its overarching objectives are ensured and, through that delivery, assist with achieving the Paris Climate Agreement and Glasgow Declaration goals by contributing to the reduction of carbon emissions from Land Use, Land Use Change and Forestry. The Investment Principles are intended to be binding on the Investment Advisor and the Board of Directors of &Green. The Investment Principles are approved by &Green's Board of Directors, with the express consent of the Advisory Board.

The Investment Principles are, in part, designed to provide concrete guidance to the Investment Advisor and Board of Directors to systematically identify, manage and report on sustainability aspects and potential impacts of &Green's lending programme and its Borrowers by:

- 1** Ensuring that sustainability factors are part of the decision making and monitoring processes throughout the investment cycle;
- 2** Assisting each &Green Borrower and the Investment Advisor to effectively identify and manage environmental and social risks;
- 3** Providing a framework to engage with stakeholders on sustainability standards and sustainable business performance that &Green requires its Borrowers to meet;
- 4** Providing a framework to monitor performance, identify areas for preventive or corrective action, ensure a consistent approach to sustainability across all lending activities and enable continuous improvement;
- 5** Helping &Green capture the value of sustainability factors, record the lessons of its experiences and demonstrate this sustainability track record to new Contributors or new Borrowers.

Investment Principles (IPs) guide the &Green Fund's operation. Environmental and social (E&S) impact management is an integral part of the IPs and of the Investment Process.



SEE MORE ABOUT &GREEN GOVERNANCE IN THE ANNUAL REPORT



Figure 6. Sustainability governance, management and implementation at &Green Fund.

IMPLEMENTATION OF THE INVESTMENT PRINCIPLES

Investment Principles set out how &Green will ensure effective delivery of &Green’s vision and mission. The Investment Principles foster consistent application of &Green’s lending and management practices in all aspects of &Green operations, including the Environmental and Social Management System (ESMS).

&Green operates its ESMS using a solid set of tools used to establish appropriate Environmental and Social Action Plans (ESAPs) and management systems for each investment. They include:

- Policies that set out the requirements and objectives, particularly relating to NDPE (No Deforestation, No development of Peatlands, No Exploitation); and Landscape Protection Plans (LPP),
- Frameworks and Protocols that establish the requirements and guidelines for assessing and structuring the management and reporting of implementation of actions.
- Templates the sustainability team uses daily to standardize processes and streamline the ESMS in investments.

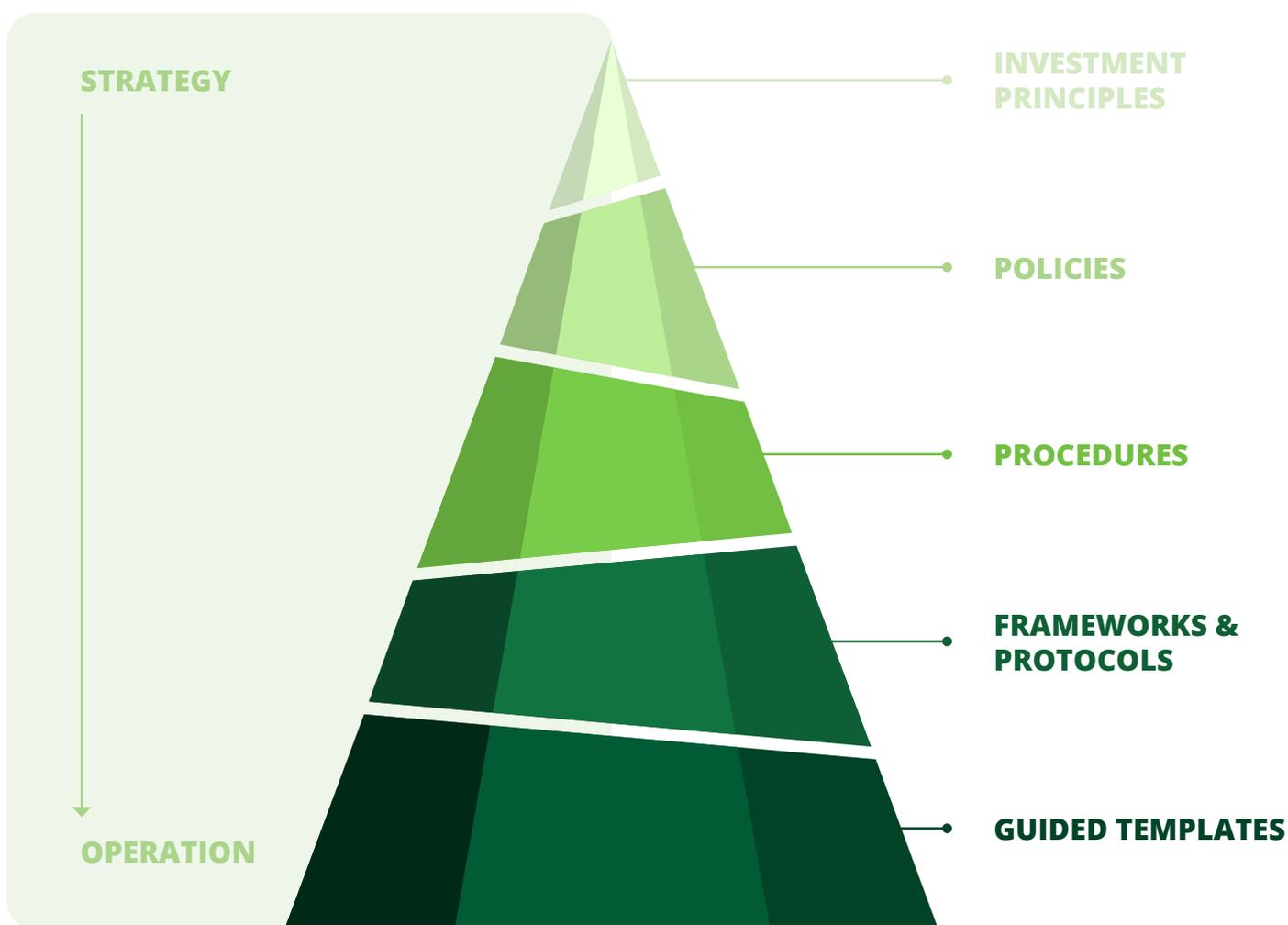


Figure 7. Implementation of the Investment Principles from strategy to daily operation.



INTEGRATING NATURE-RELATED FACTORS INTO &GREEN'S INVESTMENT DECISIONS

Nature-related risks and opportunities are integral to our investment decision-making process. This integration is secured through:

- **Environmental Screening and Due Diligence:** We conduct rigorous environmental and social assessments to evaluate the nature-related risks and impacts of potential investments. This assessment informs all aspects of the investment decision and management process.
- **Risk Management Integration:** We incorporate nature-related risks into our comprehensive risk management strategies, adapting investment and portfolio management practices to align with safeguarding risks and maximizing impact objectives. &Green adopts the International Finance Corporation (IFC) Performance Standards as its framework for the management of environmental and social risks and impacts associated with the investees and projects it seeks to finance.
- **Investment Terms and Contractually Binding Action Plans:** Contractually binding action plans play a crucial role in the &Green Fund investment decision-making process. These action plans are developed as part of our investment terms and are tailored to ensure that each investment adheres to &Green's stringent environmental and social standards.

For each investment, &Green requires the development and implementation of an **Environmental and Social Action Plan (ESAP)**. Each ESAP is designed to address identified environmental and social risks specifically associated with the investment, defining actions, deliverables/target indicators and timelines related to each of the strategic, impact and IFC Performance Standards conformity targets.

- **Strategic targets** are typically related to supply chain management enhancements or implementation of the net gain strategy. They contain a description of the milestones and respective timelines.
- **Environmental and social minimum targets** reflect the minimum expected results from the implementation of LPP, with quantitative targets and respective timelines.
- **IFC Performance Standards conformity targets** cover the ESMS improvements expected to be implemented by borrower, expressed in conformity scores and priority actions.

The **Landscape Protection Plan (LPP)** focuses on conserving biodiversity and maintaining ecological functions at a landscape level, integrating broader environmental management strategies that go beyond the immediate scope of individual projects. The plan describes the context of the ESAP and provides details of its implementation.

To ensure that these plans go beyond aspirational statements and to ensure they are actively implemented, &Green incorporates **compliance with the portfolio companies' ESAP and LPP as a fundamental part of the loan agreement**. The loan agreement includes clauses that require borrowers to adhere to environmental and social requirements, including respect for human rights and community engagement. Violation of these requirements may constitute a breach of contract, which may result in penalties or even the cessation of funding, depending on the severity of the non-compliance. Regular monitoring and reporting is required, and adherence to these plans is closely tracked throughout the investment period.

RISK & IMPACT MANAGEMENT: &GREEN'S ESMS

The **Environmental and Social Management System (ESMS)** outlines a systematic approach to integrating environmental and social considerations into the investment process. This ensures that each step, from initial screening to final investment exit, adheres to established environmental and social standards. The ESMS is designed specifically to match the fund's activities in both scope and scale, as well as to address the level of environmental and social risks and impacts associated with each investment. It includes tools, templates, and guidelines that are cross-referenced and accessible digitally, ensuring that all stakeholders understand their roles and responsibilities.

The &Green Fund's approach to impact management follows the guidelines set by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). Given the UNEP-WCMC is renowned for its expertise in biodiversity and the intersection of nature with society and the economy, their guidance underpins the robustness of this framework. Furthermore, the definitions, methodologies, and tools used in our ESMS are in sync with leading initiatives like the Taskforce on Nature-related Financial Disclosures (TNFD) and the Accountability Framework initiative (AFI).

01 IMPACT OBJECTIVES



02

MINIMUM REQUIREMENTS/ ELIGIBILITY CRITERIA

A scalable blueprint for sector transformation.

Frontrunning company with capacity to enhance their E&S risk management practices.

Commitments to conform with IFC PS and implement NDPE during the loan tenure.

Compliance with &Green's List of Excluded Activities.

03

RISK SCREENING PROCESS

Risk screening on the jurisdiction level.

Risk screening on the transaction's landscape level.

04

DUE DILIGENCE PROCESS

Third party due diligence to verify and detail the risk screening details.

ESAP for E&S risk management (IFC PS matrix with priorities and timeline).

ESAP for strategic actions (NDPE implementation and priority actions).

ESAP for minimum impact targets (related to KPIs).

05

POSITIVE IMPACT INDICATORS

MRV System.

Risk management indicators: IFC PS conformity score, NDPE policy implementation, Exclusion List verification.

Positive impact indicators: Key performance indicators (KPIs) and Operational Performance Indicators (OPIs).

Figure 8. &Green's approach to impact management aligns with UNEP-WCMC recommendations on monitoring impact in sustainable land use finance.

¹Monitoring for Impact in Sustainable Land Use Finance. UNEP-WCMC, 2023.

OVERVIEW OF POLICIES AND FRAMEWORKS USED TO MANAGE ENVIRONMENTAL AND SOCIAL (E&S) RISKS AND IMPACTS

All the procedures, policies and frameworks used to manage environmental and social risks of &Green investments are outlined in the publicly available [Investment Principles Annexes](#).

&Green's [Exclusion List](#) lists the types of projects and activities that &Green explicitly excludes from financing. These include activities that have significant adverse environmental or social impacts, such as the production of hazardous substances or the use of exploitative labor practices.

The [Jurisdictional Eligibility Policy](#) details the criteria used to assess the eligibility of jurisdictions for &Green's investments. It covers factors such as the jurisdiction's commitment to environmental conservation, the presence of stable and supportive regulatory frameworks, and the potential for achieving significant environmental and social impacts.

The [No Deforestation, No Peat, No Exploitation \(NDPE\) Policy](#) sets forth &Green's commitment to financing operations that avoid deforestation, peatland destruction, and exploitation. It specifies the standards and criteria used to ensure that all financed projects adhere to these principles.

The [Landscape Protection Plan \(LPP\) Policy](#) focuses on the strategies and actions required to protect and restore landscapes impacted by &Green's investments. It outlines how LPPs are developed and implemented, ensuring alignment with broader environmental and social objectives.

The [Complaints Management Policy](#) explains the procedures for managing complaints related to &Green's projects. It includes mechanisms for receiving, investigating, and resolving complaints from stakeholders, ensuring transparency and accountability in the &Green Fund's operations.

The [Impact Framework](#) guides the assessment and reporting of environmental and social impacts resulting from &Green's investments. It details the metrics and methodologies used to evaluate impact, aligning with international best practices and standards. The 2021 update to our Impact Framework was a significant step in enhancing &Green's ability to assess and track its environmental and social impacts effectively. By aligning our framework with leading global standards such as the [UNEP Land Use Finance Hub](#), the [Taskforce on Nature-related Financial Disclosures](#) (TNFD), the [Accountability Framework initiative](#) (AFi), and the [IRIS+ system](#), we have ensured that our methods are not only robust but also universally recognized and respected. Harmonization is crucial as it allows for more accurate and comparable impact reporting, facilitates better stakeholder communication, and strengthens our commitment to transparency and accountability. Harmonising global standards also positions &Green at the forefront of sustainable investment practices, enabling us to make more informed decisions and to contribute more effectively to global efforts in sustainable land use and forest conservation.

To ensure and demonstrate that our investments lead to measurable net positive forest and biodiversity outcomes over time, &Green uses its proprietary [Forest & Biodiversity Framework](#). The F&B Framework embeds the IFC Performance Standard 6 – which covers how biodiversity should not be negatively impacted by investments – within &Green's Environmental and Social Management System (ESMS), providing an industry-leading approach to mainstreaming biodiversity into investment decision making.

By applying the F&B Framework, every potential transaction entering &Green's pipeline will undergo a standardized risk screening for both past and future biodiversity risks. For example the conversion of natural or critically important habitats and business management capacity to mitigate biodiversity risks. The screening is informed by leading global datasets, capturing the extent, conditions, and significance of biodiversity-related findings. &Green enhanced its Geographic Information System (GIS) assessment and monitoring system in 2022 with new information layers. New layers allow a detailed spatial land cover analysis and land use historical series as well as numerous biodiversity features. This crucial initial risk assessment step guides the focus of third-party due diligence, enabling us to zoom in on the specific landscape features of interest.

The F&B Framework builds on identified risks to establish and action process that ensures the delivery of credible and tangible impacts for biodiversity protection and compensation impacts. This process operationalizes &Green's NDPE policy, aligning with IFC Performance Standards and leading sustainable supply chain frameworks. &Green only invests if biodiversity No Net Loss or, ideally, a Net Gain can be realized. The biodiversity-related commitments are reflected in the LPP and ESAP.

The F&B Framework, featuring standard templates and checklists, ensures high-quality due diligence outputs and nature-positive outcomes across &Green's portfolio. By adopting the F&B Framework, &Green operationalizes best-in-class standards for biodiversity management, and we establish ourselves as a leader in nature-positive investing.

The **Indigenous Peoples Planning Framework** is specifically designed to guide &Green's engagement and interaction with Indigenous communities in cases where investment projects directly impact these groups. This framework is a critical component of &Green's commitment to respecting the rights and traditions of Indigenous Peoples and is applied to ensure their active participation and informed consent in any project planning and implementation that may affect their lands and way of life.

The **Resettlement Planning Framework** is applicable for investments that lead to physical or economic displacement. This framework ensures that such resettlements are conducted responsibly and in a manner that respects the rights and livelihoods of the affected communities.

The **Incident & Crisis Communications Protocol** details the protocols for managing and communicating during incidents and crises that may arise from &Green's activities. It emphasizes the importance of timely and transparent communication with all stakeholders to manage and mitigate the impacts of such events effectively.

The **Indigenous Peoples Planning Framework**. This framework underscores the &Green Fund's approach to engaging with Indigenous Peoples. The primary focus is on respecting the rights and territories of Indigenous communities. This includes obtaining their Free, Prior, and Informed Consent (FPIC) for any projects that may affect their lands or resources. The framework outlines steps for engaging these communities in a manner that respects their cultural traditions, legal rights, and livelihoods.



JURISDICTIONAL ASSESSMENTS

We concentrate in selected geographies where globally significant commodity value chains are active and there is a clear risk of them being a driver of deforestation, today or in the near future. &Green restricts its investment to tropical jurisdictions that demonstrate progressive and supportive policy agendas for forest and peatland conservation and restoration.

Hence, prior to considering any investment, &Green Fund conducts a Jurisdictional Eligibility Assessment (JECA) as a crucial first step in the LEAP process. This assessment is designed to locate and evaluate the potential environmental and social risks at the jurisdictional level. The process is guided by the **Jurisdictional Eligibility Policy** ([Annex 4 of our Investment Principles](#)). JECA serves as a foundational tool to ensure that any prospective investment area aligns with the fund's stringent criteria for sustainability and deforestation risk.

&Green analyses jurisdictions, in collaboration with specialists, to assess relevance and ambition. We carefully select jurisdictions with a regulatory framework protection to safeguard forest protection achievements associated with &Green's investments. Final approval of whether a jurisdiction is eligible for investment rests with the &Green Advisory Board.

Our approach achieves an enhanced country and environmental risk profile by ensuring jurisdictional regulatory frameworks harmonize with the &Green investment strategy. Jurisdictional assessments are conducted annually to monitor progress and track achievements.



APPROVED JURISDICTIONS

 Colombia	 Mato Grosso, Brazil	 Zambia	 Ivory Coast
 Ecuador	 Tocantins, Brazil	 Liberia	 Vietnam
 Para, Brazil	 Democratic Republic of Congo	 Gabon	 Indonesia

ENVIRONMENTAL AND SOCIAL (E&S) SCREENING AT THE TRANSACTION LEVEL

An initial E&S screening, conducted in-house, informs the preliminary credit application presented to the investment committee. This screening guides the scope of the due diligence and highlights specific inquiries to be addressed prior to making a final investment decision. The insights gained from third-party due diligence are instrumental to formulate both the risk mitigation action plan and the impact maximization strategies, which are detailed in the Landscape Protection Plan (LPP). Furthermore, the impact indicators and the entire monitoring, reporting, and verification process are integral components of the Measurement, Reporting, and Verification (MRV) system, playing a crucial role in both the pre- and post-investment phases. The screening:

- **Assesses Reputational Exposure.** Using RepRisk findings, we evaluate the investee's involvement in controversial issues and media coverage, providing a contextual understanding of reputational risks.
- **Reviews Policies and Commitments.** This involves scrutinizing publicly available information and documents provided by the client, ensuring alignment with &Green's standards.
- **Conducts Context Checks.** We assess the broader environmental and social context of the investment utilizing various public sources, such as information such as investee's website, annual or sustainability report, studies conducted by the moment of screening (e.g. ESIA, green bond reports or similar), certification reports sector-specific reports, national/international databases and similar, we assess the broader environmental and social context of the investment.
- **Forest & Biodiversity Risks and Opportunities.** every potential transaction entering &Green's pipeline will undergo standardized risk screening for both past and future biodiversity risks, such as conversion of natural or critically important habitats and management capacity of the client in mitigating biodiversity risks. The screening is informed by leading global datasets on biodiversity, capturing the extent, conditions, and significance of biodiversity.
- **Assesses Social Factors.** Open Source and Geo-Referenced Information is used to assess, for example, proximity to indigenous people or other special communities' lands and to Key Biodiversity Area (KBA) sites, protected and culturally-important sites, historical data on land use change, occurrence of fires and deforestation events, use of forced labour and similar, available through public and specialized databases.

The findings from the E&S Screening inform the scope of the Environmental and Social Due Diligence (ESDD) and are used to categorize E&S risks. Potential deals with unmanageable risks are screened out, while others proceed to a detailed due diligence process, guided by standardized terms of reference tailored to the screening results.



DUE DILIGENCE PROCESS. FOUNDATION FOR ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP) AND LANDSCAPE PROTECTION PLAN (LPP)

The due diligence process at &Green is a critical step in assessing potential investments. Environmental and social due diligence is always conducted by an independent party to ensure objectivity and thoroughness, and include detailed action plans. This process is guided by standard &Green templates developed internally, which are tailored to include typical Environmental and Social Impact Assessment (ESIA) Terms of Reference (ToR) as well as specific requirements in line with thematic &Green policies.

The &Green due diligence process is grounded in a robust reference framework that encompasses a variety of legal and ethical standards. This framework includes applicable local, national, and international environmental and social legislation, to ensure compliance with a broad spectrum of regulatory requirements. It incorporates in addition &Green Fund's Investment Principles, which include guidelines for developing landscape protection plans, and &Green Fund's List of Excluded Activities, to align investments with the fund's core values and objectives.

The process also adheres to the IFC Performance Standards (2012) and the UN Guiding Principles on Business and Human Rights (UNGPs). It aligns with &Green's best-in-class Forest and Biodiversity Framework, ensuring that each investment is evaluated against the highest standards of environmental conservation and biodiversity protection. This comprehensive approach is supplemented by other &Green's specific policies, such as the Indigenous Peoples Planning Framework, to ensure that all due diligence is conducted with a keen awareness of social responsibility and inclusivity.

The due diligence consultant's recommendations are further refined by &Green's investment team, ensuring that each investment not only aligns with the &Green Fund's standards but positively contributes to its impact objectives. While the external due diligence primarily concentrates on risk assessment and mitigation, it also lays the groundwork for &Green's investment team to develop a comprehensive LPP. This plan is a crucial component of our borrower's commitment to transitioning towards sustainable agricultural practices and protecting their landscapes from deforestation.

The LPP contextualizes the expected impact generation. The plan encompasses various critical aspects, including the historical context of the landscape, scenarios of business as usual versus project-specific scenarios for different landscape elements, and a detailed analysis of stakeholders involved in both the landscape and the project. It sets clear ESAP, complete with milestones to track progress. Additionally, the LPP details a robust strategy for Monitoring, Reporting, and Verification (MRV), including schedules to ensure consistent and transparent tracking of the project's impact. These LPPs are tailored to each borrower, reflecting the unique characteristics and requirements of their respective landscapes. All LPPs of our borrowers are disclosed on the [&Green website](#).

MRV SYSTEM

At the core of &Green's approach to ensuring the integrity and consistency of its impact data is the Measurement, Reporting, and Verification (MRV) system. This system plays a pivotal role in gathering, consolidating, and presenting high-quality data, which is integral to &Green's Impact Framework. The process begins with data collection by the clients, followed by reporting to &Green, and culminates in an annual independent verification to validate the data's accuracy and reliability. The MRV system is instrumental in providing the necessary impact indicators that reflect the effectiveness of &Green's investments in achieving their environmental and social objectives.



COMMUNICATION, REPORTING AND DISCLOSURES

&Green continuously engages with its borrowers following execution of a financial agreement to ensure that:

- Sustainability management is integrated into the borrowers' operations,
- LPP and ESAPs are effectively implemented,
- Environmental and social risk mitigation and value creation opportunities are realized, and
- there is regular monitoring and reporting on material events such as serious accidents involving or affecting borrowers (e.g., fatalities) and other sustainability-related developments that have occurred in the reporting period that could affect the implementation of the ESMS and the sustainability performance.

&Green publicly discloses summaries of annual third-party verifications of its [borrowers](#).

Finally, &Green systematically identifies and engages with relevant stakeholders as well as participates in initiatives and developing partnerships which it believes to support enhanced implementation of its ESMS. This engagement may involve communities, industry groups, government agencies, policy fora, as well as civil society organisations and social enterprises. Where appropriate, &Green seeks to ensure that this level of external engagement is replicated at borrower level. &Green reports on progress with respect to ESMS implementation and performance in its public [annual reports](#).



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