Gresham House Forest Fund VI LP
SDR Pre-Contractual Disclosures

Sustainability Objective

Sustainability Objective	Gresham House Forest Fund VI LP's (the "Partnership") sustainability objective is to acquire, manage, and dispose of established forestry assets and bare land for productive woodland creation across the UK, contributing to climate change mitigation by sequestering carbon over the lifetime of the Partnership. The Partnership will aim to achieve the Sustainability Objective through employing sustainable forestry management practices as well as managing and certifying all forest land to a recognised third-party forest management standard, such as the Forest Stewardship Council (FSC). The Partnership will go beyond certification to show a positive environmental impact by investing in afforestation and managing investments with the intention of creating positive environmental outcomes. To track the progress towards the Sustainability Objective, the following key performance indicator will be measured, monitored and reported on an annual basis: **Total carbon emissions sequestered (tCO_2e):** tonnes of carbon dioxide equivalent sequestered and stored, both in the trees on the Partnership's estate and the carbon retained in harvested wood products (HWP). The calculation of this metric is aligned with the most current and widely accepted guidelines from the Intergovernmental Panel on Climate Change (IPCC). In addition to the Sustainability Objective and associated indicator, the Partnership will monitor the following on an ongoing basis: • **Area of forest land certified to a third-party forest management standard (%):** the area of land owned by the Partnership which is certified under the FSC and/or the Programme for the Endorsement of Forest Certification (PEFC). • **Area of afforestation (ha):** the area (in hectares) of land which has been afforested by the Partnership. The Partnership will invest a minimum of 70% of the gross value of the Partnership's assets in line with the Sustainability Objective. Other investments, that could lead to a short-term reduction in the carbon stock of the portfolio, may include: • Development of a green, sustainable energy source such as a wind

	farm whereby small areas of deforestation will take place to facilitate new infrastructure. • Restoration of land areas where trees have previously been planted on deep peat, causing the carbon in the soil to be emitted. Gresham House Asset Management Limited (the Manager) will take action to mitigate the impact of such instances, including replanting the permanently deforested area elsewhere within the portfolio to ensure that over the life of the Partnership, the carbon stock rises. The progress towards meeting the Sustainability Objective will be assessed on an annual basis and will be viewed over the life of the Partnership.

There is no anticipated material effect on the financial risk and return of the Partnership as a result of the Manager applying the Sustainability Objective.

Theory of change

The extent to which human activities are contributing to climate change through the emission of greenhouse gases is now manifesting itself in rapidly increasing air and ocean temperatures, drought, melting ice and snow, rising sea levels, increased rainfall, flooding and a range of other negative impacts. Under the 2015 Paris Agreement, 196 countries committed to ensure global temperatures do not rise more than 2°C above pre-industrial age levels, and preferably to limit the temperature increase to no more than 1.5°C by the end of the century. To achieve this goal, global CO_2 emissions will be required to reach net zero by 2050.

Forestry plays a crucial role in climate change mitigation, both by sequestering CO_2 from the atmosphere and providing timber to replace carbon intensive building materials, such as concrete, steel and aluminium. Policymakers worldwide are increasingly recognising the benefits of prioritising the use of timber in place of carbon intensive alternatives.

The Partnership's Sustainability Objective is to acquire, manage, and dispose of established forestry assets and bare land for productive woodland creation across the UK, contributing to climate change mitigation by sequestering carbon over the lifetime of the Partnership. This will be achieved through the sustainable management of existing productive forests and investment in afforestation.

The Partnership will employ two core strategies:

- Acquiring, managing and certifying all forests in line with the FSC or other local standards as relevant, within a reasonable timeframe. Carbon sequestration can be optimised through sustainable forestry management practices such as planting high-quality, high yield class trees that are sourced from seed orchards and have undergone selective genetic improvement programmes to ensure their growth (and carbon sequestration) is maximised.
- Investing in bare land seeking to gain approval for afforestation. As new trees are planted and grow, they absorb carbon from the atmosphere through photosynthesis. The allocation to afforestation sites will contribute to the overall growth in carbon stock by the end of the Partnership's life.

Forestry investments sourced and managed by the Partnership are long-term, with sustainable forestry management practices employed to proactively improve the quality and value of assets. International forestry certification standards provide globally recognised frameworks for how forests should be managed to preserve biological diversity and benefit the lives of local people and workers, while ensuring continued economic viability. These standards include stringent criteria across a range of environmental, social and economic factors. The Partnership commits to managing all forests sustainably in line with, or beyond, international standards.

The Partnership will go beyond certification standards by investing in afforestation and managing investments with the intention of creating additional positive environmental outcomes.

The Manager's Forest Charter is a policy document setting out its commitments and targets relating to sustainable forest management. It outlines the key performance indicators that are regularly tracked, reported on, and used to inform management decisions. This includes environmental KPIs, such as the area of forest land managed primarily for biodiversity (%), and social KPIs, such as number of jobs supported by the activity. The Partnership will monitor and report on all KPIs from the Forest Charter on an annual basis.

To track progress towards the Sustainability Objective, the following key performance indicator will be measured, monitored and reported on an annual basis:

- **Total carbon emissions sequestered (tCO_2e):** tonnes of carbon dioxide equivalent sequestered and stored, both in the trees on the Partnership's estate and the carbon retained in HWPs.

The calculation of this metric is aligned with the most current and widely accepted guidelines from the IPCC. The methodology converts estimated volumes of merchantable timber in each forest into total tonnes of carbon dioxide equivalent sequestered and stored.

This methodology also accounts for above ground biomass not included in merchantable timber (stumps, branches etc.) using a Biomass Expansion Factor, and below ground biomass using the Root-Shoot Ratio (RSR) to account for the forest materials underground.

The combined volumes of above and below ground biomass are then converted into million tonnes of carbon dioxide ($mtCO_2$) through three calculations to give the total carbon sequestered:

1. Wood Density (Wet meters cubed to dry tonnes);
2. Carbon Fraction (The conversion from dry timber in tonnes to the amount of Carbon); and
3. The Atomic mass of Carbon (12u) to Carbon Dioxide (44u).

The time carbon is held in products derived from timber will vary depending on the product and its uses. For example, the carbon held in fuelwood and mill residue may be released in the year of harvest; many types of paper are likely to have a use life less than 5 years which may include recycling of paper; and sawnwood or panels used in buildings may be held for decades to over 100 years. The outflow of carbon from the HWPs is calculated based on estimated 'half-life' and associated decay rates of HWPs from end uses as per IPCC guidance. Gresham House assume a split out of the products produced according to the quality of the timber harvested.

In addition to the Sustainability Objective and associated indicator, the Partnership will monitor the following on an ongoing basis:

- **Area of forest land certified to a third-party forest management standard (%):** the area of land owned by the Partnership which is certified under the FSC and/or the PEFC.

- **Area of afforestation (ha):** the area (in hectares) of land which has been afforested by the Partnership.

The Partnership will invest a minimum of 70% of the gross value of the Partnership's assets in line with the Sustainability Objective. The progress towards meeting the Sustainability Objective will be assessed on an annual basis and will be viewed over the life of the Partnership.

There may be instances where activities that the Manager deems appropriate for the Partnership lead to a short-term reduction in the carbon stock of the portfolio or tree species diversity. Example of such activities include:

- Development of a green, sustainable energy source such as a wind farm whereby small areas of deforestation will take place to facilitate new infrastructure.
- Restoration of land areas where trees have previously been planted on deep peat, causing the carbon in the soil to be emitted.

The Manager will take action to mitigate the impact of such instances, including replanting the permanently deforested area elsewhere within the portfolio to ensure that over the life of the Partnership, the carbon stock rises.

Consideration of Negative Environmental/Social Outcomes

As part of the planning for long term for management plans and woodland creation projects, extensive environmental and social considerations are taken into account. A list of some of the key considerations are found below.

Environmental/Social	Theme	Summary	Mitigants
Environmental	Biodiversity loss	As a part of productive sustainable forestry, high densities of single tree species or limited biodiversity in replanted areas can affect habitat quality and biodiversity, impacting species that rely on native forest ecosystems.	All forests are planted to certified forest standards. Such standards ensure that single species proportions are limited and that long-term forest plans seek to increase areas managed primarily for biodiversity. The Manager shall seek to ensure the optimal planting plan to accommodate the required return whilst utilising opportunities to enhance both site and local area biodiversity.
	Soil degradation and erosion	Some harvesting techniques can cause soil degradation and erosion. This risk is higher in areas with steep slopes or fragile soils.	All Partnership harvesting is undertaken to the highest standard and is closely monitored by woodland managers and Gresham House's asset management team. If there is any risk of soil degradation or erosion, harvesting is halted immediately until such time as the risk can be fully mitigated. It is both

			environmentally and commercially important that soils are not degraded as the next rotation of trees will be affected. Evidence generally shows that second and third rotation forestry grows with greater vigour due to enhanced soil status[1].
	Water resource impacts	Forestry operations can affect water quality and availability. Soil disturbance, road construction, and tree harvesting can lead to sedimentation in nearby water bodies, impacting aquatic ecosystems.	All forestry operations are monitored by both the Partnership's woodland managers and asset managers. Should there be any evidence of water quality or site impact – all operational activity is halted until such time as any effects can be rectified. On the whole, locating trees near watercourses improves their quality by mitigating the impact of contaminants[2].
	Chemical use	Sustainable forestry can involve the use of pesticides, herbicides or fertilizers to manage growth, pests, and disease. Applications can have unintended environmental impacts, contaminating soil and watercourses leading to harmful impacts on non-target species.	All chemical use is strictly controlled under UK forestry standards and will only be used where required to ensure the long term viability of new planted trees. All herbicides or pesticides used are constantly being reviewed for their efficacy and environmental effect.
Social	Labour rights and working conditions	Forestry work can sometimes involve poor labour conditions, including low wages, limited benefits or unsafe working environments particularly in more remote areas. Seasonal working can also	Gresham House commits to ensuring all wages for people working in certified forests, including forest workers, contractors and other operators, at least meet or exceed minimum or living wages.

[1] Conifer Breeding Co-operative
[2] The River Trust

		create challenges.	
	Conflict with local land uses	Forestry can compete with other local land uses such as agriculture or conservation, creating potential conflicts with the local community.	Before any new woodland creation scheme commences, Gresham House undertakes a significant process to ensure that regulatory and environmental standards are met or exceeded before approval is received. This includes multiple engagements with local communities to gather feedback during the planning and approval process.
	Community disturbance or restrictions	Large scale forestry may temporarily restrict access to traditional lands and resources for local communities. Some level of disturbance may also impact local communities due to any construction, harvesting and movement of large vehicles.	All forests managed by Gresham House encourage full public access to the community. Many properties contain enhanced access features such as paths or trails through the growing trees. Where traffic movements are unavoidable, pre-agreed routes are used and efforts are made to avoid disturbance through activity at pre-agreed times and frequencies.

Sustainable Investment Strategy

Investment Policy and Strategy

The Partnership's Investment Committee will assess whether potential acquisitions align with and contribute to the Partnership's Sustainability Objective.

The Partnership will target the acquisition of at least c.7,000 hectares of forestry land over the Investment Period. This will include areas of unplanted land, acquired for the purpose of new woodland creation.

The final Partnership asset composition will comprise a mix of:

- Mature, established forests containing quality timber available for harvesting to provide income during the initial phases of the Partnership's life. Carbon will be retained in the harvested wood products and all felled trees will be replaced with fast growing, genetically improved saplings.
- Maturing, established forests will be managed to grow on, adding volume and value, to provide a source of income during the mid to latter stages of the Partnership's life. This asset category contains the trees growing at their highest rate therefore sequestering the largest volume of carbon per hectare.
- Young forests purchased during the establishment phase will be managed for optimum growth. The

Manager will use silvicultural techniques that facilitate the best conditions on site for growth and carbon sequestration.

- Unplanted unproductive former livestock farms or former areas of large estates will be purchased to meet the objective of new woodland creation. These properties will contribute to the Sustainable Objective by increasing the forest area under management and add to the total carbon sequestered through the growth of new trees.

Other capital may be deployed in the following activities that do not directly contribute to the impact objective:

- Development of a green, sustainable energy source such as a wind farm whereby small areas of deforestation will take place to facilitate new infrastructure.
- Restoration of land areas where trees have previously been planted on deep peat, causing the carbon locked up in the soil to be emitted.

Such actions will only be undertaken by the Manager in circumstances where it is either value enhancing to do so or the net carbon effect, factoring in carbon sequestered and avoided emissions, is deemed to be greater over the long term.

All potential assets are subject to a rigorous pre-acquisition assessment to ensure compliance with the key performance indicator and additional sustainability-related metrics outlined in the Sustainability Objective.

The Manager's Forest Charter is a policy document setting out its commitments and targets relating to sustainable forest management. This includes its commitment to certify all forests under management in line with the FSC, the PEFC or other local standard as relevant, within a reasonable timeframe. Pre-investment, all land and forests acquired by the Partnership will be assessed to ensure that the forest assets already meet, or will meet within a reasonable timeframe, the commitments set out in the Forest Charter and requirements under third-party certification standards.

The Investment Team employs a proprietary ESG Decision Tool (the "Tool") to evaluate each potential investment's contribution to the Sustainability Objective, alignment with the commitments set out in the Forest Charter, and broader ESG risks and opportunities. This structured assessment ensures a rational, replicable and transparent approach to ESG integration, enabling informed investment decisions while upholding the Partnership's sustainability commitments. The Tool assesses potential investment's alignment with the Sustainability Objective by:

- Identifying if the investment is capable, or will be capable, of demonstrating a clear sustainability impact by ensuring the expected carbon sequestration over the lifetime of the investment, including any opportunities for afforestation, is calculated prior to investment; the value calculated will need to align with the planned sequestration trajectory of the Partnership.
- Determining if the forest currently meets UK Woodland Assurance Standard (UKWAS) (or equivalent) standards, or there are clear mechanisms in place to deliver compliance to UKWAS (or equivalent) standards, to ensure that all forest land can be certified within a reasonable timeframe.
- Identifying opportunities to generate additional positive environmental outcomes including biodiversity enhancement.

The findings from the Tool are incorporated into the investment decision-making process, informing the Investment Committee's deliberations and providing a structured framework for ESG risk management and stewardship activities throughout the holding period. The Tool does not provide a binary "investment approval" decision; rather, it highlights material ESG risks and opportunities, which are then assessed and managed as part of the investment strategy.

Details of how the Tool is applied to the Partnership's ESG integration approach can be found within the Sustainable Investment Policy.

Governance

The Gresham House Limited group of companies ("Gresham House" or "our") has an overarching Sustainable Investment Policy which describes our approach to sustainable investment and our commitments to investing sustainably while meeting our overall business objectives. Beneath the Policy, there are asset-specific Sustainable Investment Policies that describe approaches relevant to each asset class, in this instance the "Forestry policy" (together with the Sustainable Investment Policy, the "Policies").

Please see the Gresham House overarching Sustainable Investment Policy (https://greshamhouse.com/wp-content/uploads/2024/04/Sustainable-Investment-Policy-April-2024.pdf) and Forestry Sustainable Investment Policy (https://greshamhouse.com/wp-content/uploads/2024/04/Forestry-Sustainable-Investment-Policy-April-2024.pdf). The purpose of the Policies are to set out the manner in which the commitments we have made at a group level integrate ESG considerations throughout our business will be implemented within the Forestry investment strategy of the Manager. For forestry investments this involves:

- Applying our sustainable investment framework to structure analysis, monitoring and reporting of ESG risks and opportunities within the lifecycle of investments to drive rigour and consistency.
- Ensuring our team understands the imperative for effective ESG management and is empowered and equipped to carry this out through management support and training.

The Gresham House senior management team, including the Board and the Group Management Committee, are committed to the implementation of this policy and to ensuring appropriate resources and support are available to our team in order to do so. We will also conduct regular reviews of our approach, including assessing our ability to meet our commitments and updating the asset-specific sustainable investment policies accordingly.

Gresham House is a signatory to the UK Stewardship Code. In August 2025, it was announced that Gresham House has met the expected standard of reporting for 2024 and remained a signatory to the UK Stewardship Code 2020 for the fifth year in a row.

The Manager's parent company, Gresham House Limited, has been a signatory to the United Nations supported Principles of Responsible Investment (UN PRI) since February 2018. For 2024, Gresham House was awarded four or five stars for all relevant modules. Gresham House scored significantly higher than our peer group for each of the six modules.

Stewardship

Gresham House takes considerable steps to maintain its reputation of being a good land steward. This includes detailed assessment of Partnership land and factoring in the needs of all stakeholders.

The Manager seeks community engagement on all material activity taking place within Partnership assets through open forums and written communication. Such an approach is important given the landscape scale impact made by Partnership assets on local communities and ecosystems.

Combining local knowledge from neighbouring landowners with formal, professional surveys enables the production of Biodiversity Action Plans on each property. These documents seek to enhance the biodiversity on site through increasing the number and variety of habitats to support greater taxa populations.

Monitoring

To track the progress towards the Sustainability Objective, the following key performance indicator will be measured, monitored and reported on an annual basis:

- **Total carbon emissions sequestered (tCO_2e):** tonnes of carbon dioxide equivalent sequestered and stored, both in the trees on the Partnership's estate and the carbon retained in HWPs. The calculation of this metric is aligned with the most current and widely accepted guidelines from the IPCC.

There may be circumstances where total carbon stored within the Partnership's estate (including carbon retained in HWPs) decreases. This could be a result of:

- An outsized market opportunity to harvest timber for prices far in excess of the long-term trend. Gresham House manage the Partnership's strategic timber reserve carefully and will look to increase the volume of timber harvested in a single year where demand is significantly higher than supply, thereby driving up the price of timber for investors.
- An opportunity to utilise land owned by the Partnership for an alternative use as permitted under the Limited Partnership Agreement (e.g. renewable energy development). In all such circumstances Gresham House will ensure compensatory planting is undertaken on land owned by the Partnership.
- An unforeseen event causing damage to Partnership assets (e.g. a new pest or disease materially impacting the Partnership's assets).

At the onset of the Partnership, the expected carbon sequestration over the lifetime of the Partnership will be estimated, accounting for significant phases of the Partnership's lifecycle and factors that may impact carbon sequestration during those periods to create an expected trajectory, or baseline. For example, the volume of carbon sequestered by the Partnership's assets will reduce once the planned annual distribution commences due to the need to harvest additional trees to generate a higher level of income.

On an annual basis, Gresham House will calculate the total carbon emission sequestered within the portfolio. This process will involve gathering data denoting the age, species and estimated growth rates of trees within the portfolio to calculate the volume of carbon sequestered during a given year and cumulatively, in line with guidance from the IPCC. Carbon retained in harvested wood products such as fencing panels, pallets or timber frames used in residential construction will also be calculated using the same methodology.

To ensure that the Partnership remains on track to meet its sustainability objective to sequester carbon over the lifetime of the Partnership, annual sequestration will be tracked against the baseline. The Investment Team will report this to the Manager's AIFM risk committee on a quarterly basis and deviation from the baseline will trigger the escalation process.

Escalation

The Investment Team has a robust governance framework to ensure that its products meet their investment objectives, including Sustainability Objectives, as required. The Manager operates on a first line of defence (the Investment Team) and second line of defence (independent risk and compliance teams) basis.

First line of defence ("**1LOD**") – general governance

The Investment Team has overall responsibility for the day-to-day management of activities and investment in line with the Sustainability Objective of the Partnership. The Investment Team implements an appropriate, documented and regularly updated due diligence process when investing on behalf of the Partnership, according to the investment strategy, objectives and risk profile of the Partnership, including the Sustainability Objective and associated metrics and ensures that the risks associated with each investment position of the Partnership and their overall effect on the Partnership's ability to achieve the Sustainability Objective can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures.

Direct governance of the Partnership's activities is undertaken by the Fund Management team. Day-to-day on-site activity is overseen by the Partnership's contracted woodland managers who report to the Partnership's asset manager. Overall strategic direction and implementation are the responsibility of the Manager. On a regular basis, the Fund Director and Managing Director of Gresham House Forestry will also review the challenges facing the Partnership, exploring and monitoring the risks and opportunities to ensure the Partnership meets its core objectives.

Gresham House have detailed operations procedures to ensure that, at all times, its operational standards are met. The structure of the Manager ensures that there is a hierarchy of responsibility from the Director of Partnership through to the Fund Manager and Asset manager and onwards to the contracted woodland manager. This ensures that all points of forest development, planting approval, planting, ongoing woodland management, harvesting approval and harvest management are appropriately monitored and recorded. Systems and software are used to ensure that each procedure is recorded and signed off by the appropriate person. On a quarterly basis, Partnership meetings are held to review the forests, the portfolio and operational activities of the Partnership. These meetings are recorded and documented.

Second line of defence ("**2LOD**")

The investment team are supported by functional teams, as well as cross-functional committees which oversee certain Partnership level commitments. The below formal committees meet periodically and gather management information about the Partnership's achievement of investment objectives including the Sustainability Objective.

- AIFM Risk Committee: the AIFM Risk Committee at Manager level meets quarterly. Management information is produced from every division of the Manager's group by the Investment Team and reviewed by the Risk Committee. If there is a risk that the Sustainability Objective will not be met, this will be escalated to the Manager's Product Governance Oversight Sub-Committee who will determine whether further escalation is needed dependent on the nature of the risk.
- Product Governance Oversight Sub-Committee (a sub-committee of the New Product Development Committee): the Partnership is reviewed on an annual basis. One of the inclusions in the Partnership's questionnaire is the attainment of its' Sustainability Objective. The management information for the committee is produced by the Investment Team alongside other relevant teams, including the sustainable investment team, who assist the Investment Team with operationalising their sustainable investment management approach and data gathering and reporting. If any material issue relevant to a product's attainment of its Sustainability Objective is escalated by the AIFM Risk Committee, the product governance sub-committee is able to meet ad-hoc or as a standing meeting, quarterly, to discuss such issues.
- New Product Development Committee: any thematic or material issues are able to be escalated directly to the New Product Development Committee which is comprised of the Group Management Committee (GMC) and the Head of Compliance.

Gresham House
Specialist investment

Sustainability Objective Monitoring:

- The 1LOD is responsible for day-to-day monitoring of the sustainability objective key performance indicator and additional metrics as set out in the sustainability objective, this is set by the Partnership.
- The Investment Committee will track whether or not capital is invested in line with, and contributes to, the Sustainability Objective.
- On a quarterly basis, the 1LOD will report to the Manager's AIFM Risk Committee a confirmation of compliance with the Sustainability Objective including contributing indicators.
- The total carbon emissions sequestered (tCO_2e) will be monitored by the investment team to assess progress towards the sustainability objective and will be reported as a metric to the Manager's AIFM risk committee on a quarterly basis.
- Aligning with the year end for the Partnership, the Product Governance Committee will receive a confirmation from the AIFM Risk Committee that the Sustainability Objective KPI was found to be within tolerance for the period.

Escalation and Reporting:

- If the threshold for total carbon emissions sequestered (tCO_2e) approaches its limit, or capital is deployed into an investment that does not contribute towards the Sustainability Objective, the 1LOD must promptly escalate the issue to the 2LOD, which may convene an ad-hoc meeting of the Manager's AIFM Risk Committee.
- If the threshold for total carbon emissions sequestered (tCO_2e) is breached, it must be reported immediately via the Manager's Incident & Breaches tool, which alerts the members of the Incident & Breaches working group (the "working group"). The working group is chaired by the Head of Compliance and will determine the correct escalation in line with the Manager's policy, including considerations such as severity of the breach, and remediation prospects. The escalation avenues could be one or more of the Product Governance Committee, the GMC and/or any internal Gresham House Boards.
- The Incident & Breaches working group will require the 1LOD to create a remediation plan covering root cause for the breach, specific actions to remediate the breach, responsible parties, a timeline for resolution, and any reporting requirements to the parties to whom the matter was required to be escalated.
- The remediation plan is reviewed and approved by the Manager's AIFM risk committee to ensure it is adequate and aligns with the Manager's risk management framework.
- Progress against the remediation plan is monitored by the Incidents & Breaches working group on a bi-weekly basis (the frequency the working group meets), with quarterly updates to the AIFM risk committee.

Ongoing Monitoring and Review:

If there is a breach of the Sustainability Objective for more than one quarterly review period of the AIFM risk committee, additional measures may be required, including further escalation. The Head of Compliance shall make the appropriate escalation. We will implement remedial actions according to our escalation plan within one year where possible or aim to do so.