2024 Impact Report

Integrating TCFD and TNFD recommended disclosures

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Signatory of PRI Principles for Responsible Investment

Executive Summary

Our world is faced with major environmental challenges: degrading soils, depleting water reserves, shrinking biodiversity and, perhaps most urgently, climate change. Industrial farming and forestry systems are major contributors to these problems. But there are ecological farming and forestry systems that can grow the food and materials we need, while rebuilding soils, preserving water, restoring biodiversity and absorbing carbon from the air. These systems are not just sustainable but "regenerative". In many cases, they can also generate better risk-adjusted economic returns, because they are less exposed to volatile input costs, more resilient to a changing climate and can tap into higher value markets. These systems need to be scaled up and we believe that investment capital can accelerate this.

Founded in 2009, SLM Partners has been a pioneer in natural capital investing, bringing more than a decade of experience in deploying capital into regenerative agriculture and forestry. Today, we manage over 311,988 hectares of land across the USA, Australia and Europe.

Our impact is driven by changes in management practices we implement on our properties. In agriculture, we transition land away from conventional management (characterized by high chemical fertilizer and pesticide usage, intensive tillage and monoculture) towards organic and regenerative management. In forestry, we move away from conventional clear-felling regimes and adopt "close to nature" forestry, also known as Continuous Cover Forestry (CCF). The practices we adopt across agriculture and forestry increase carbon storage, while also protecting and restoring soils, biodiversity and water quality.

In 2024, we continued our strong growth trajectory, surpassing $750 million in Assets Under Management. As we scale, we extend the reach of regenerative practices across more land. This year, we expanded our investments across all three of our geographies, deploying capital into row crops, permanent crops, grasslands and forestry systems.

A defining milestone of 2024 was the publication of our white paper Investing in Regenerative Agriculture: Reflections from the Past Decade. This is an update to our influential 2016 research paper, presenting the investment case for ecological farming. It draws from the latest research and from SLM Partners' own experience making investments in this space for over a decade.

We are pleased to present our fifth global impact report, covering our activities for 2024. This is our second year integrating the disclosure recommendations from TCFD and TNFD, building on our milestone report for 2023 which was awarded the Environmental Finance Impact Award last year. We are also pleased to present our continuous efforts in improving the quality and scope of our firm-level carbon accounting inventory, estimating all the GHG emissions and sequestration linked to our assets. Our objective is to provide insightful, comparable and actionable data that can support investors seeking to generate impact through natural capital investing.

About this report

This report is prepared by SLM Partners, covering the activities of the firm globally for the year 2024. This is our 5th firm-level impact report. The report aims to provide transparency on our theory of change, our footprint and the results we have achieved towards our impact objectives. This year's report continues our effort to integrate disclosure recommendations from the Taskforce for Climate Financial Disclosures (TCFD) and the Taskforce for Nature Financial Disclosures (TNFD). We welcome the increased harmonization enabled by such frameworks. We have chosen to integrate these disclosures within our impact report to offer readers a holistic understanding of the climate and nature-related impact, dependencies, risks and opportunities of our strategies.

Environmental Finance IMPACT Awards 2024 Winner Award for impact reporting

We are pleased to share that SLM Partners won the award for impact report in Environmental Finance's Impact Awards.

2024 at a Glance

$755 million
of Assets under Management

311,988 hectares
of Land under Management

Products grown

Food

37,446 tonnes
of cereals and oilseeds harvested

5,417 tonnes
of fruits and nuts harvested

2,274 tonnes
of pasture-raised beef and lamb (liveweight) grown

Materials

18,996 m³
of timber harvested

2,572 bales
of cotton harvested

12,823 kg
of wool produced

Impact Goals

Climate
Mitigation & Adaptation

Turn landscapes into carbon sinks and increase resilience to climate extremes

- Target 13.1

Soils

Reverse land degradation and build healthy, living soils

- **Target 15.3**
  By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.
- Target 15.2
- Target 15.3
- Target 15.5

Society

Revitalize rural communities while growing safe, healthy products for consumers

- **Target 2.4**
  By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality.
- Target 8.2
- Target 8.4
- Target 8.8
- **Target 12.2**
  By 2030, achieve sustainable management and efficient use of natural resources.
- Target 12.4
- Target 12.8

Biodiversity

Improve species diversity on farms and in forests

- **Target 15.a**
  Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

Water

Increase water use efficiency and reduce pollution of waterways

- Target 6.3
- Target 6.4
- Target 6.6

Key Impacts

Transitioning Land Management Practices

100% Land owned & managed by SLM Partners is under a regenerative transition plan

100% Animals are raised outdoors using rotational grazing techniques

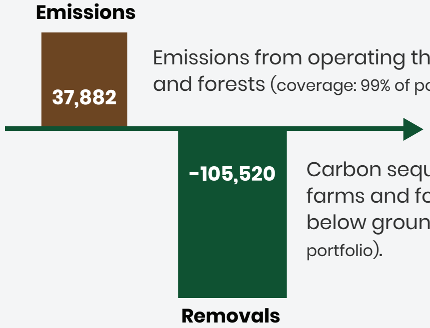
61% Cropland is under organic certification or in transition*

64% Forestland is in transition to Continuous Cover Forestry

*This includes all cropland owned by SLM Partners, which is either managed by SLM Partners and affiliates or leased out.

Restoring Carbon Sinks

SLM Portfolio Emissions & Sequestration



Emissions from operating the farms and forests (coverage: 99% of portfolio)

Carbon sequestration across farms and forests, above & below ground (coverage: 40% of portfolio).

1.8 million
Australian Carbon Credits Units (ACCUs)
issued from restoration of Mulga woodland since 2016

37,012 ACCUs
sold in 2024

Monitoring & Promoting Ecosystem Health

103,453 ha
of land under a biodiversity restoration plan

133
soil samples taken in 2024

UNPRI Score

Policy, Governance and Strategy **99** ★★★★★

About SLM Partners

SLM Partners is a natural real assets manager driven by impact.

Our team invests directly in land and partners with skilled local operators to build regenerative, resilient and profitable land systems.

Our Mission

Our mission is to use capital to scale up regenerative farming and forestry systems.

Our Investment Philosophy

Agriculture and forestry systems are heavily dependent on and highly impact climate and nature.

All the economic value generated by agriculture and forestry operations is highly dependent on nature. [1] These systems rely on critical ecosystem services, such as soil fertility, nutrient cycling, pollination, water purification, natural pest control and climate regulation. Unfortunately, industrial food and timber production systems tend to exploit, rather than work with, nature. They degrade the natural capital – soils, water and biodiversity – on which they depend and this exposes them to many risks.

Current mainstream agricultural and forestry practices fail to address the pressing challenges of today and are major contributors to carbon emissions, soil degradation, water depletion, pollution and biodiversity extinction. 3 out of the 5 biggest drivers of nature loss are directly linked to industrial agriculture and forestry. [2] Agriculture is the largest consumer of the world's freshwater resources, accounting for 70% of total withdrawals. [3] These negative environmental externalities will be increasingly taxed or regulated. As consumers wake up to their environmental impacts, consumption trends are shifting, leaving traditional operators exposed.

There are alternative ways to manage land that can minimise these risks and generate a positive environmental impact while increasing profitability.

All around the world, there are farmers and foresters who have developed profitable regenerative systems. Their systems build soil health, minimise external inputs and production costs, recycle nutrients and energy, embrace produce diversity, create carbon sinks, restore biodiversity and produce high value food, fiber and timber. Their systems enhance and protect their natural capital instead of depleting it, addressing at the same time our need for food and materials, climate change adaptation and mitigation, and biodiversity.

These farmers and foresters need capital to grow and transition more land to regenerative systems.

In developed countries, which are SLM's focus, investors can directly assist by acquiring or leasing land and placing it with operators who are experts in regenerative management. Successful investment strategies involve long-term partnerships between investors and carefully-selected farmers and foresters, acting as stewards of the land with aligned incentives.

Our Core Beliefs

- We believe that regenerative land systems can deliver superior risk-adjusted returns, while generating tangible positive environmental impacts at scale.
- We believe that we can only achieve truly sustainable financial returns when the underlying natural capital is also thriving.

Our History

Assets under Management (US$ million)

2009

Establishment of SLM Partners

2012

Launch of SLM Australia Livestock Fund

2016

Release of The Investment Case for Ecological Farming and of Investing in Continuous Cover Forestry.

2017

Development of US organic farmland strategy. Read more.

2018

Launch of Irish forestry strategy (SLM Silva Fund), anchored by the European Investment Bank. Read more.

2020

Launch of US Organic Row Crop strategy. Read more.

2021

Launch of Iberia Permanent Crop strategy. Read more.

2022

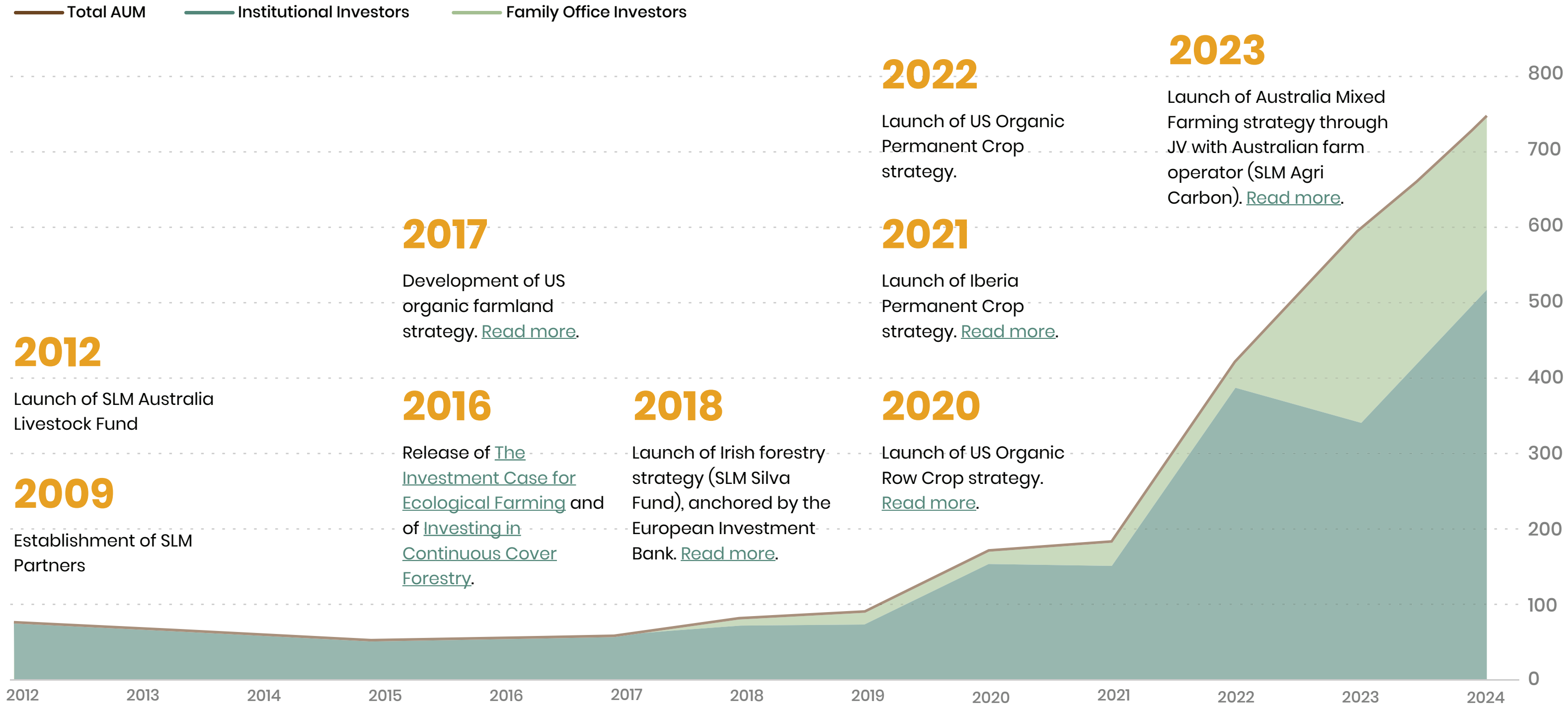
Launch of US Organic Permanent Crop strategy.

2023

Launch of Australia Mixed Farming strategy through JV with Australian farm operator (SLM Agri Carbon). Read more.

2024

Release of Investing in Regenerative Agriculture: Reflections from the Past Decade.



Note: This chart displays all assets-under-management in USD, as of December 2024. This includes all committed capital to funds and segregated mandates managed solely by SLM Partners or through our joint ventures. All commitments are converted to USD, based on annual exchange rates.

Recent Awards

SLM Partners currently manages over $755 million of assets invested in real asset strategies across agriculture and forestry, following our impact investment philosophy. Over the past 5 years, our assets have grown 8.4x as we developed new strategies to target new investment opportunities for our clients. Our investors are mainly institutional investors (70%), such as pension funds and insurance companies, as well as family offices (30%).

Our Strategies

As of December 2024, SLM Partners manages $755 million in capital commitments.

USA

AUM **$530 m**
Area **11,430 ha**

In the US, we successfully completed over 18 acquisitions across speciality crops and row crops, deploying over $83 million. We continue to grow our organic investment programmes, expanding into new regions, namely the West and High Plains, and new crops, showcasing the scalability and replicability of our approach.

Europe

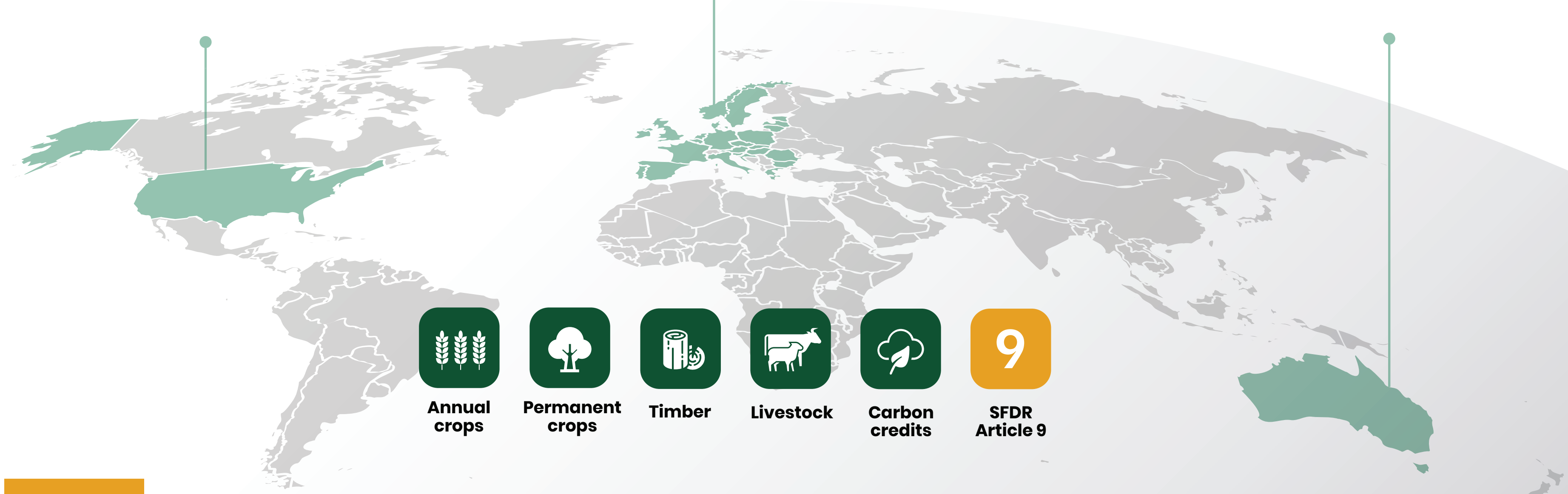
AUM **$62 m**
Area **2,674 ha**

In Europe, our Irish forestry fund has reached full deployment and continues to perform above target, driven by value creation from aggregation and strong timber prices. Our second forestry fund, SLM Silva Fund II, targeting a wider set of forestry opportunities across Europe, is now open to investors. We also held a final close of our Iberia permanent crop fund (SLM Silva Europe Fund) at EUR 30 million in December 2024.

Australia

AUM **$162 m**
Area **295,070 ha**

In Australia, we have successfully deployed >AU$180m in 5 properties across New South Wales for our Australia Mixed Farming strategy, developed in partnership with Impact Ag Partners. The assets in SLM Australia Livestock Fund continued to perform well, benefitting from favourable weather conditions and tapping into carbon markets.



Preparation for planting of greenfield almond orchard in Portugal (SLM Silva Europe Fund).

Our Governance

Board oversight

The Board of SLM Partners is composed of Non-Executive Directors and representatives of our Executive Management. The Board is responsible for overseeing strategic decision-making and ensuring all activities remain in alignment with the firm's mission of helping scale up regenerative farming and forestry systems globally. The Board reviews and approves the release of our annual Impact Report and the launch of new strategies.

This oversight is supported by the Risk & Compliance committee, which runs annual internal audits and reports back to the Board and Executive Management.

Management of climate and nature risks and opportunities

The investment team is responsible for identifying, assessing and managing climate and nature risks, opportunities, dependencies and impacts across all of our investments. The risk and impact management plans are reviewed and approved by SLM Partners' investment committee. It is the responsibility of the investment committee to ensure all relevant risks, opportunities, impacts and dependencies have been addressed by the investment team and that the risk and impact management plans are appropriately designed and effectively implemented during the term of the investments.

Setting targets on climate and nature-relate outcomes

For each investment strategy, SLM Partners defines a set of impact targets that have been identified as achievable, ambitious, relevant and aligned with the firm's mission. These impact targets capture measurable and additional outcomes related to carbon, soil, water and biodiversity. The targets are designed by the Head of Impact, in collaboration with the investment team. The targets are approved and reviewed by the investment committee. The performance against these targets is reviewed annually and disclosed in the strategy's annual financial reporting documentation.

Aligning incentives

SLM Partners is committed to continuously strengthen the alignment of its incentives structure to its impact objectives. For all new fund strategies developed since 2023, we have therefore linked our performance fees to our impact targets. This ensures that the investment team's compensation structure is aligned with our dual-objective of delivering economic returns alongside positive environmental outcomes.

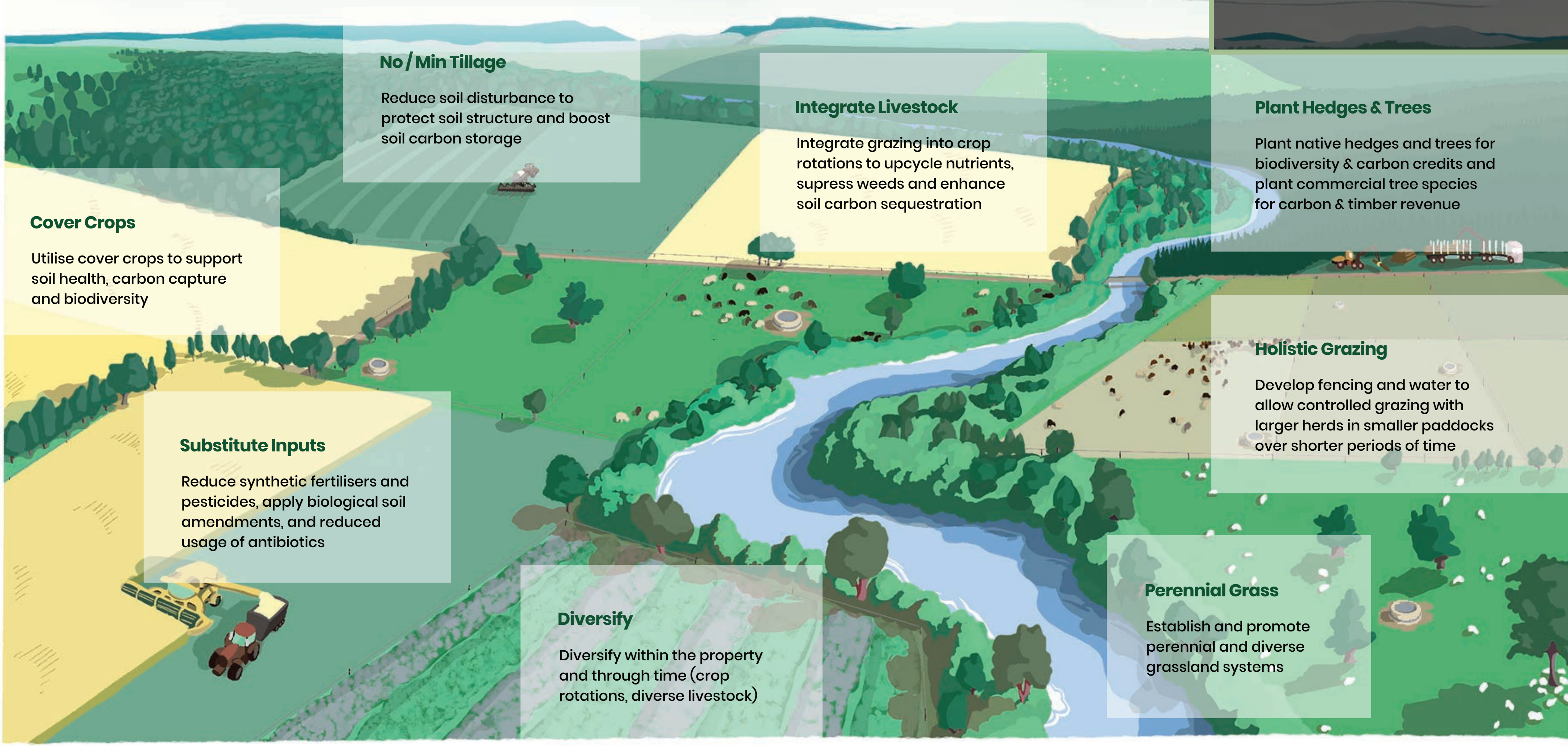
Strategy

What Regenerative Agriculture Means to Us

- A regenerative land system must be able to grow food and materials in a way that enhances soil health, climate stability and ecosystem functionality, while being economically sustainable.
- When defining it, we consider the principles behind regenerative agriculture, the farming practices through which it is implemented, the agriculture systems that are most viable, and the outcomes that can be measured.
- **Principles** - Regenerative land management is built on harnessing the power of biologically-active soils and natural cycles. Regenerative farmers focus on biology, rather than chemistry. They seek to understand and manipulate ecological processes and natural cycles to grow crops and animals in a profitable way.
- **Practices** - In agriculture, key practices include reducing tillage, using cover crops, minimising synthetic fertilisers and chemicals, applying compost, integrating livestock, adopting holistic planned grazing and integrating trees into farm landscapes.
- **Systems** - These practices are combined to create context-specific production systems. These systems reflect biophysical conditions (soils, terrain, and climate) but also market conditions (output prices, access to inputs, and infrastructure) and availability of labour. SLM Partners invests in a range of different land systems, including organic grain rotations, no-till cropping with diverse cover crops and mob grazing, holistic planned grazing, regenerative orchards in Mediterranean zones and Continuous Cover Forestry in temperate European forests.
- **Outcomes** - Ultimately, we know regenerative management by its outcomes, which are; improving soil health, addressing climate change, enhancing biodiversity, improving water quality and growing higher quality products. As well as delivering positive environmental benefits, there is a strong investment case for regenerative systems because they can be more profitable and deliver superior risk-adjusted financial returns.

Key Regenerative Agriculture Practices

To learn more, please take a look at our recent white paper on Investing in Regenerative Agriculture: Reflections from the Past Decade



No / Min Tillage

Reduce soil disturbance to protect soil structure and boost soil carbon storage

Integrate Livestock

Integrate grazing into crop rotations to upcycle nutrients, supress weeds and enhance soil carbon sequestration

Plant Hedges & Trees

Plant native hedges and trees for biodiversity & carbon credits and plant commercial tree species for carbon & timber revenue

Cover Crops

Utilise cover crops to support soil health, carbon capture and biodiversity

Holistic Grazing

Develop fencing and water to allow controlled grazing with larger herds in smaller paddocks over shorter periods of time

Substitute Inputs

Reduce synthetic fertilisers and pesticides, apply biological soil amendments, and reduced usage of antibiotics

Diversify

Diversify within the property and through time (crop rotations, diverse livestock)

Perennial Grass

Establish and promote perennial and diverse grassland systems

Applying Regenerative Practices to Forestry

SLM Partners began investing in forestry in 2018 with the launch of SLM Silva Fund I. Consistent with our mission to scale up more ecological land management practices, we identified Continuous Cover Forestry (CCF) as a viable and promising alternative to rotational forestry systems in Europe. All our forestry strategies are now dedicated to helping scale up the adoption of CCF across Europe.

Also known as "close to nature" forestry, CCF is an alternative silvicultural system that retains permanent forest cover. Under CCF management, the trees are felled individually or in small groups throughout the entire woodland area. The increment in growth is removed as "income" every few years, preserving the "capital" of the standing forest. High quality trees are allowed to grow larger. The system relies on natural regeneration to develop a mixed-age stand. Species diversity is encouraged and naturally emerges across the full productive area of the forest, rather than being compartmentalised in plots.

The overall objective is to maximise the commercial benefits from an area of woodland while letting natural processes do most of the work.

What Regeneration Means in Forestry

- **Principles** - Regenerative forestry seeks to mimic the diversity, productivity and resilience of a natural forest, and to maintain forest habitat through time, by avoiding clearfelling. This is multi-functional forestry that aims to balance commercial timber production with environmental and social goals.
- **Practices** - Instead of clearfelling, trees are selectively harvested (individually or in groups) across the entire woodland area at regular intervals. Harvesting initially focuses on improving the quality of the stand but then switches to harvesting mature trees at their economically optimum age. The canopy is opened up to let in light and to encourage natural regeneration of new seedlings. Attention is paid to promoting deadwood, veteran trees, riparian areas, and structural and species diversity.
- **Systems** - Continuous Cover Forestry includes individual selection, group selection or irregular shelterwood systems. It is also known as 'close to nature' or selective harvesting forestry.
- **Outcomes** - Regenerative forestry systems can store more carbon, support more biodiversity and provide greater amenity and aesthetic value for local communities. These forests are also more resilience to biophysical shocks (such as wind, pests or disease) and climate change. In most scenarios, Continuous Cover Forestry also delivers superior economic returns for forest owners by bringing forward cash flows, producing larger, more valuable timber, avoiding replanting costs and reducing timber price risks.

To learn more, please refer to our white paper Investing in Continuous Cover Forestry in Europe, published in February 2025.

Strategy

Our Five Impact Themes

Our strategies are rooted in a deep understanding of how land management has long-lasting environmental and social consequences, both positive and negative. Through all of our activities, we seek to carefully assess and manage climate - and nature - related risks and dependencies, while also generating a positive impact and tapping into opportunities. This is made possible by the regenerative practices we implement across our properties.

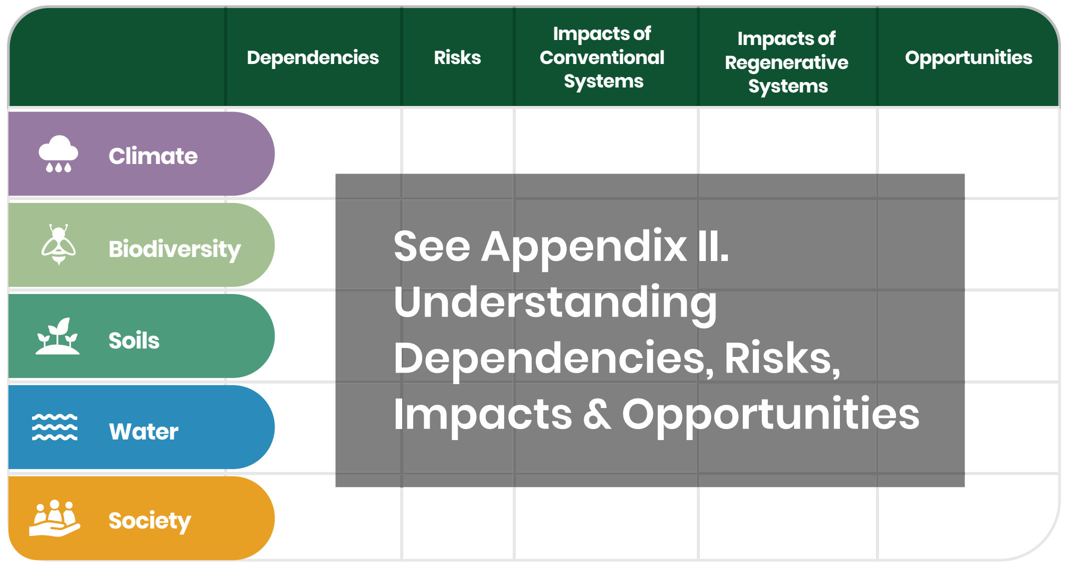
All our strategies seek to deliver market-rate financial returns by investing in real assets, while achieving positive impacts across five major themes: climate, soils, biodiversity, water and society. These five themes were selected because they capture the most material dependencies, risks, impacts and opportunities for agricultural and forestry systems.

Across each of our five impact themes, our approach seeks to address, mitigate and reverse the negative impacts of conventional production methods while, at the same time, unlocking the potential for positive outcomes. We believe that supporting such positive outcomes will enable new opportunities to improve the economics and resilience of our assets.

Understanding risks, dependencies, opportunities and impact

Our understanding and assessment of climate - and nature - related issues is continuously evolving. We leverage academic research, interviews with experts, practitioners, and policy markers, historical datasets on weather, extreme events, water stress and soil health from local authorities, governmental bodies, NGOs and consultants. We also commission proprietary research where needed. The white papers we publish regularly on our website showcase the extensive research we conduct on climate- and nature-related issues. You can download our most recent white papers on agriculture and on forestry here.

Moving forward, our focus is to align with emerging industry standards, particularly the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD). This year marks our second TNFD and TCFD-aligned firm impact report, integrating the disclosure recommendations into our firm-wide impact report.



Case Study

Regenerating Mulga Lands in Australia

Regenerating Mulga Lands

In 2013, the SLM Livestock Australia Fund acquired 2 properties that make up Garrawin, a 80,000-hectares property in south-west Queensland. For the past 11+ years, the SLM property managers have adopted holistic planned grazing – a regenerative grazing system first developed by Allan Savory. Over this period, we have tracked environmental and economic indicators to assess the landscape impact and the resilience of our model.

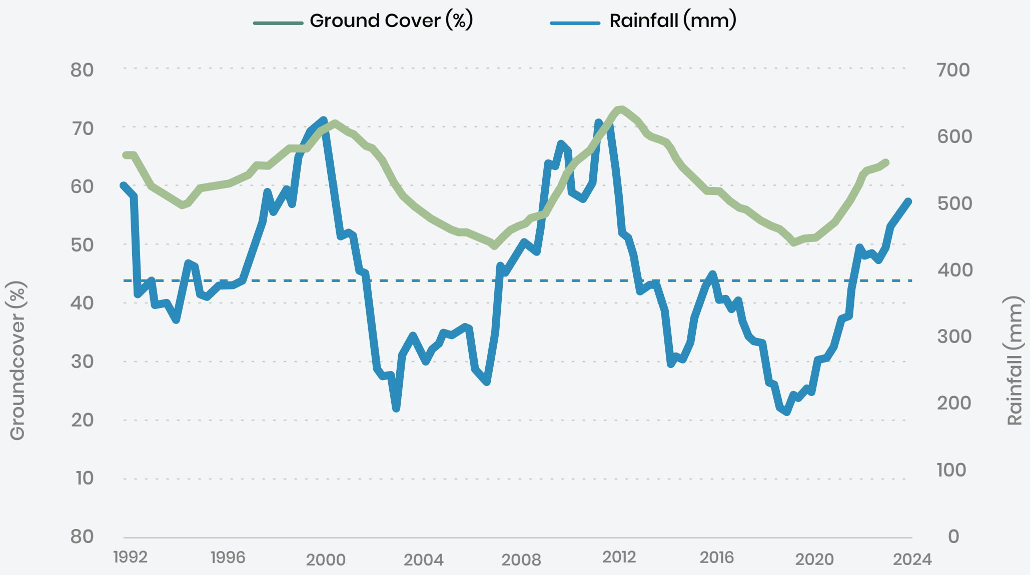
Context: The Mulga Lands

Garrawin is located 800 kilometres inland from Brisbane, in the arid and semi-arid Mulga Lands that span southern Queensland and northern New South Wales. The land is characterised by red sandy soils and a low open woodland environment with Mulga trees (acacia aneura), Eucalyptus trees, shrubs and grasses.

The key limiting factor is water. The area receives an average of 350-400mm of rainfall per year, but this is highly variable year-to-year. These fluctuations directly impact biomass growth, and, consequently, groundcover. Chart 1 shows how quickly groundcover responds to the rainfall cycles. While water is the strongest explanatory variable of ecosystem health in this environment, grazing management choices also play a role.

Garrawin and the Mulga Lands bioregion

Chart 1: **Rainfall and groundcover on Garrawin over time**



Source: CiboLabs, as of December 2024

Grazing in the Mulga Lands

Most (94%) of the Mulga Lands bioregion is grazed. [4] Unfortunately, many livestock operations have had adverse impacts on the landscape through clearings and overgrazing. In periods of drought, like the one we witnessed between 2014 and 2021, grass becomes rare and a common response is to cut down (or pull down) Mulga trees to help livestock feed on the leaves. [5] This allows property managers to keep too many animals during drought and creates excessive grazing pressure. This overgrazing leads to bare soils and land degradation, as water infiltration decreases, sediment run-off increases and soil erodes.

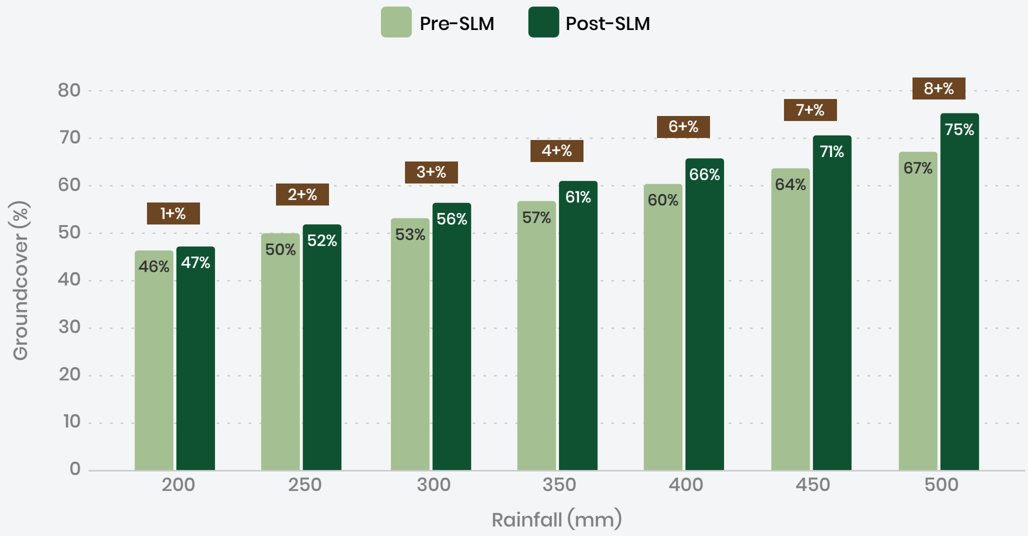
On Garrawin and the other SLM properties, the core of our approach is to make sure that grazing adapts to the condition of the landscape, and not the other way around. Graham Finlayson, our General Manager in Australia, describes our holistic planned grazing approach: "For us, it's about control. We control where the animals are and how long they are there for."

The core of our approach is to make sure that grazing adapts to the conditions of the landscape, and not the other way around.

Our grazing management mimics the natural grazing patterns of large wild herbivores by keeping animals in large herds, moving them frequently, and allowing long recovery periods between grazing events. The planning of the herd movements is guided by continuous monitoring of landscape health indicators.

"We monitor the landscape closely. We want to make sure we don't come back to graze that patch until it is fully recovered. We want to make sure we allow for the more nutritious species and the perennial grasses to grow back. The key is short grazing periods and long resting periods." - Graham.

Chart2: **Groundcover levels pre- and post-SLM**



Source: CiboLabs, as of December 2024

Maximising groundcover for land health

A key objective of holistic planned grazing is to maximise groundcover and promote grass growth. By moving livestock frequently across the landscape, the animals graze only the tops of the grass, trample the remaining vegetation into mulch and fertilize the soil with their dung. If well-managed, these grazing events create enough disturbance to stimulate grass regrowth and strengthen root systems, while maintaining soil protection.

Using historical groundcover data from CiboLabs, we compared how the land responded to rainfall before and after the introduction of holistic planned grazing. The data shows that groundcover improved slightly, across all rainfall levels, after adopting holistic planned grazing. The gains are more pronounced during higher rainfall years: in years with 500mm rainfall there was 8% more groundcover since SLM Partners' acquisition. During these wetter periods, healthy soils with better water infiltration and retention are crucial to maximise the benefits of the rain and boost groundcover.

"There is a noticeable difference between this property and its neighbours, it's extraordinary", according to Dr Judi Earl, a local pasture ecologist. Dr Judi Earl has carried out ecological monitoring on Garrawin through on-site visits and plant surveys since 2014. Her surveys allow us to dive deeper and look at how the composition of the groundcover has changed over time.

Promoting perennials for resilience

Perennials (trees, shrubs and some grasses) are ecologically important because they provide permanent levels of groundcover to protect and stabilise the soil, while also providing habitat for birds and reptiles, shade and feed. Perennials also help increase water infiltration, reducing water run-off. Even though perennials are just one feed source for the livestock, they are crucial for the resilience of the system.

"Our key objective is to develop more native perennial grasses. These grasses are more resilient to droughts. With more perennials in the system, you get into drought later and you come out of it faster." - Graham.

> "With more perennials in the system, you get into drought later and you come out of it faster."

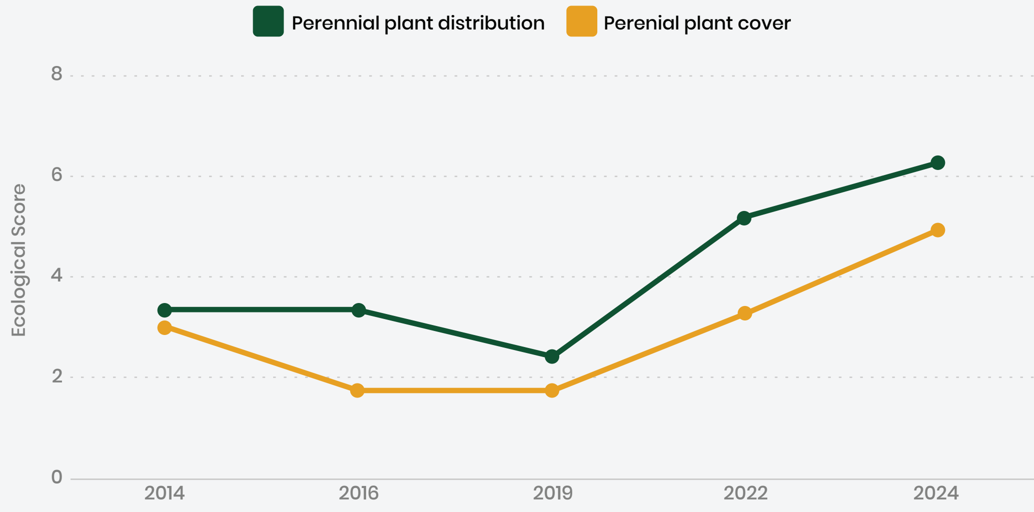
Dr Judi Earl's ecological assessments of Garrawin report an overall increase in perennial plant distribution and perennial plant cover. Perennial plant cover and distribution were at their lowest in 2019, after c.6 years of below-average rainfall, but they rebounded quickly when the rains returned in 2021, surpassing baseline levels.

"Perennials really come down to management. The fact that they were not there for such a long time is an indicator of historical overgrazing and poor management prior to SLM's acquisition." – Dr Judi Earl.

Establishing a carbon credit project

Thanks to this regenerative grazing system management, SLM Partners was well positioned to develop a carbon project on this property. We partnered with Climate Friendly, an experienced carbon developer, which verifies our claims and coordinates the issuance of Australian Carbon Credit Units (ACCUs). The project follows the "Human-Induced Regeneration of a Permanent Even-Age Native Forest" methodology. The project incentivises land owners to cease mechanical or chemical destruction of regrowing trees (a common historical practice in the area) and to carefully manage the timing and extent of grazing in a way that encourages native vegetation and the regeneration of the native Mulga trees.

Chart 3: **Ecological Scores for Perennial Plant Cover & Distribution**



Dr Judi Earl site surveys over time (site #15)


April 2014


December 2016


June 2019


April 2022


May 2024


Groundcover May 2024

Since its inception in 2014, the carbon project on Garrawin has issued 631,723 ACCUs (1 ACCU represents one tonne of carbon dioxide equivalent sequestered or avoided). The Australian Government has created an Emissions Reduction Fund, administered by the Clean Energy Regulator, to enter into contracts with farmers and landowners to buy carbon credits. We participated in reverse auctions and won contracts to sell credits to the Clean Energy Regulator over the first 10 years of the project.

More recently, the spot price that corporate buyers will pay for ACCUs has significantly exceeded these contract prices. In recent years, the Clean Energy Regulator allowed project proponents to break their contracts and sell ACCUs to private buyers instead. We took advantage of this and were able to sell ACCUs to corporate buyers at higher prices than originally envisaged. The net income from carbon credit sales on Garrawin, after all commissions and project costs, averaged over AU$800,000 each year since 2016.

Diversifying revenue streams and driving value

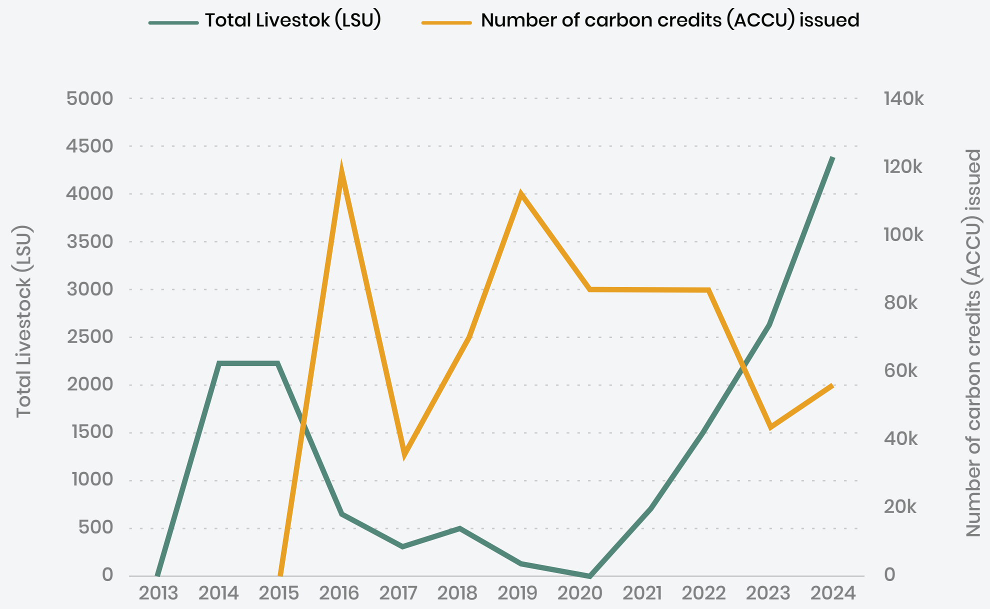
This carbon revenue was especially important during periods of drought. With our grazing approach, managers need to be ready to dynamically adapt the size of their herd based on the carrying capacity of the land. When the drought hit in 2014, stock levels had to decline. At its lowest point, the herd was reduced to zero.

"When there is low rainfall, you need to choose whether you will keep your animals, but destroy the landscape, or get rid of your animals and protect the landscape. We always choose to protect the landscape." - Graham.

"When there is low rainfall, you need to choose whether you will keep your animals, but destroy the landscape, or get rid of your animals and protect the landscape. We always choose to protect the landscape."

This approach impacted the operation's revenues but it was a necessary trade-off to build a more resilient business model with diversified revenues from livestock and carbon credit sales. When livestock revenues were down, the business was supported by carbon credit sales.

Chart 4: **Amount of livestock vs. Number of carbon credits issued over time**



Source: SLM Partners, as of June 2024

As a new source of cash flow, which will be available over a 25 - year period, the carbon project generated a positive uplift of over 33% in the asset's valuation based on an independent appraisal.

The carbon project we set up not only provided a new diversified source of revenue for the farm, but it also impacted the overall valuation of the property. As a new source of cash flow, which will be available over a 25 - year period, the carbon project generated a positive uplift of over 33% in the asset's valuation based on an independent appraisal.

"The improvements that have happened across the land in just 12 years, of which 7 years of drought, is phenomenal." - Dr Judi Earl. With patience, prioritising the landscape, to protect and restore the natural capital we depend on, pays off.

Fenceline view of two plots grazed at different times

Illustrative fenceline image showing the impact of grazing on an Australian grassland

315 days since grazing event

16 days since grazing event

Engagement

Our Key Stakeholders

As a real assets manager, SLM Partners invests directly in land. Our key stakeholders are the local operators, farmers and foresters we work with on the ground to manage that land. The success of our strategies is rooted in the strength of our partnerships with local operators.

We adopt different structures depending on the context. This includes joint ventures, long-term management agreements or long-term leases. Across all our partnerships, we design incentives that are aligned with our strategic economic and environmental objectives.

For example, in our US organic grains strategy, our leases are structured to align with our environmental objective of converting land to organic certification. We provide long-term access to land (10 year-leases instead of the more common 1, 2, or 3 year-leases) and share in some of the financial risks of organic transition by accepting lower lease payments during the organic transition phase. In return, we share in some of the higher profitability once the organic farming is up and running. This structure seeks to match the lease payments with the cash flow generation potential of an organic conversion and supports farmers in adopting a long-term vision for their land management. This attracts young farmers; on average, our tenants are 20 years younger than the national US average.

Once the partnership is established, we continuously engage with our local operators to support the implementation of sustainable practices and delivery of positive impact outcomes. Depending on the partnership structure, the engagement is more or less frequent. We take a bespoke approach for each operator depending on their specific strengths and challenges. We can offer or facilitate training, trial plots, external consulting services, knowledge sharing between operators and partnerships with NGOs or civil societies.

Across all properties, our monitoring process is guided by our annual impact data collection process. The level of detail and transparency we ask from local operators is continuously evolving to adapt with new market standard initiatives, such as TNFD and SFDR Article 9.

On average, our tenants are 20 years younger than the national US average.

Case Study

The Rowland Farm

In 2021, we established a partnership with a 4th generation farmer from Woodford County, Illinois. He has farmed grain within Woodford County for his entire life and works closely with his family. They farm together under Walnut Creek Organics LLC (WCO), a family business, currently managing 2,715 acres. All ground is farmed organically or is in transition to organic. The WCO team began farming under organic practices in 2003, and have been farming exclusively organic since 2012.

SLM Partners & Walnut Creek Organic Partnership

When we met WCO, they were ready to grow. They had the skills, experience, community and vision of expanding their asset base by over 1,000 acres within the next 3 years. Their operation was properly equipped to handle acreage expansion, including machinery and team. However, the current short term lease arrangements commonly available in their region were ill-fitted to their objectives. Organic transition takes 36 months and typically requires financial losses during the first two years of the transition. To take this risk, farmers need a guarantee that they will be able to stay on the land long-term, and thereby reap the returns on their investments. This is what attracted them to SLM's "farmer-first" approach.

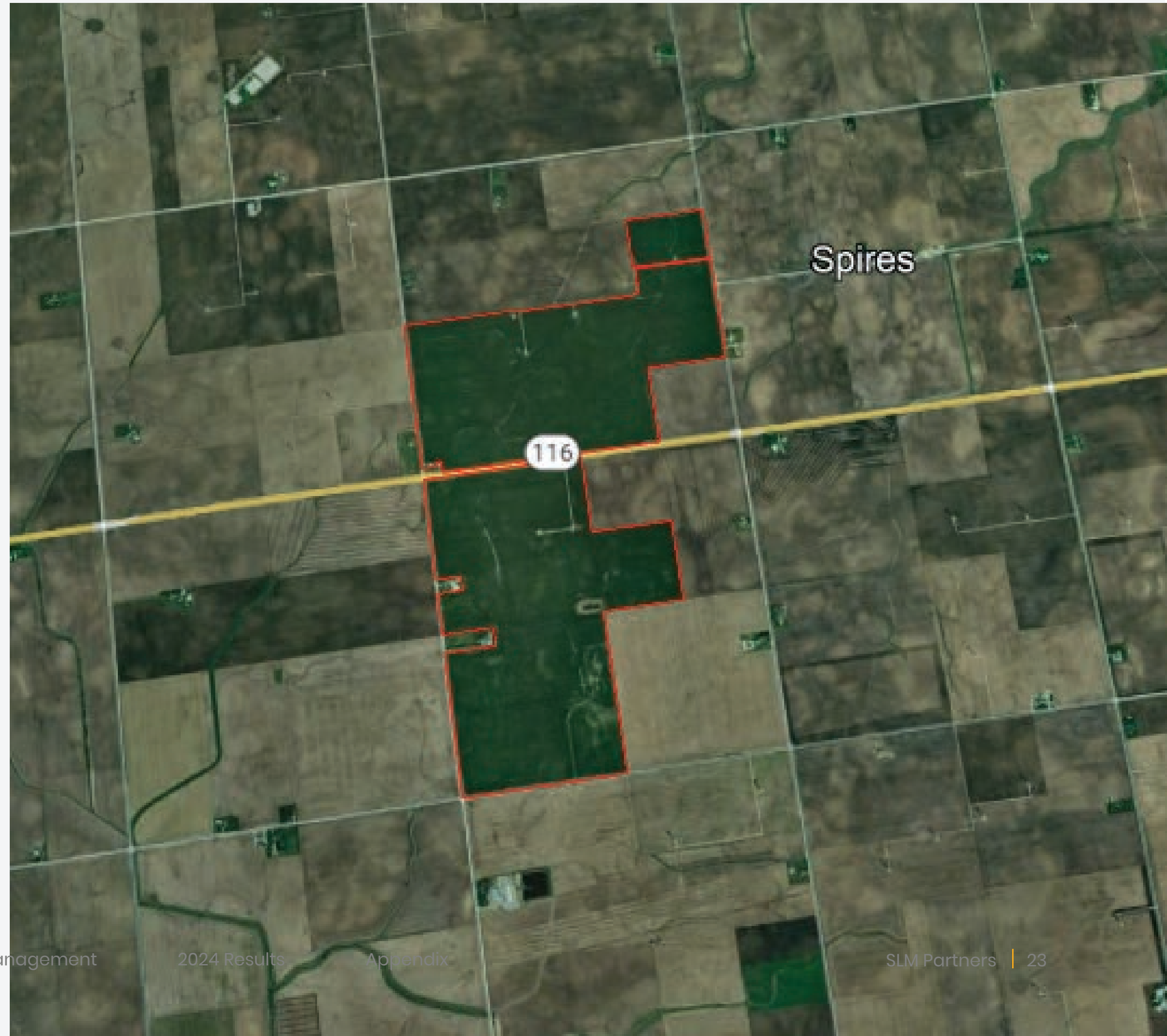
In 2021, we acquired a 670-acre farm, of which 647 acres are non-irrigated cropland, and entered into a 10-year lease with WCO. Under our lease terms, they would pay a reduced rent during the organic transition and then a standard rent plus a profit share after the farms are certified.

During the organic transition period, WCO grew wheat and cover crops, and in the 3rd year of farming produced organic corn. Having now completed the organic conversion, they will farm a 3-year rotation of organic soybeans, wheat, and corn for the remainder of the lease.

Importance of Ground Cover

A farm that maintains continuous ground cover offers substantial agronomic and environmental benefits compared to one with bare soil. Ground cover mitigates erosion, enhances water retention, and fosters soil structure, thereby contributing to long-term productivity. The presence of living roots is particularly critical, as they facilitate carbon sequestration in the soil. Moreover, these roots support microbial activity, enhancing nutrient availability, improving soil structure and bolstering resilience against climate-induced stresses such as droughts and extreme weather.

On this aerial footage, you can identify the boundaries of Rowland Farm based on the green ground cover, in this case winter wheat.



Key Initiatives

In addition to our continuous engagement with our local operators, we also pursue broader engagement efforts through our thought leadership, research & development projects, community engagement and education initiatives. Through these initiatives, we engage with a wide range of stakeholders across the investment industry, rural communities, carbon market enablers and the scientific community.

Thought Leadership

In 2024, SLM Partners released a new white paper entitled Investing in Regenerative Agriculture - Reflections from the Past Decade. This paper is an update to an influential white paper that we first published back in 2016 titled The Investment Case for Ecological Farming. Through these research pieces, our objective is to present the latest and most remarkable research available to date in support for a transition to regenerative systems. We also take this as an opportunity to present the lessons learnt after 10+ years of investing in regenerative land systems. We hope these publications can support the demonstration effect we seek to have and channel more flows towards scaling up regenerative agriculture and forestry.

As members of the Natural Capital Investment Alliance (NCIA), within the Sustainable Markets Initiatives (SMI), SLM Partners is pleased to contribute to education initiatives within the natural capital investment space. Specifically, SLM Partners led the workstream responsible for the creation of an investment guide for institutional investors to support more flows into natural capital. The report Investing in Nature was released in May 2024 by the NCIA and the Green Finance Institute.

Our investment in Spain was used as a case study in the Make nature count 2.0 Report by the Foundation for Sustainable Development (FSD) and ASN Bank, which applied the concept of monetary valuation of ecosystem services to measure the value of SLM's organic conversion.

SLM Partners was at the UNCCD's COP16 this year. Justin Mundy, SLM Partners Chairman and co-founder, presented at a side event hosted by The Nature Conservancy, on the role of soil health in multifunctional landscapes and climate change.

During 2024, SLM Partners was a proud sponsor of Regenerative Food Systems Investment Forum's first European event dedicated to

facilitating education and networking to drive investments in regenerative agriculture and food. SLM Partners was also a founding sponsor of RegenerativeNYC, a new conference hosted at New York University that brought together students, academics, entrepreneurs and investors with a commitment to regenerative agriculture.

Research & Development

We also engage with research institutions to encourage and disseminate scientific studies that support the further adoption of regenerative land management systems and the growth of ecosystem service markets.

We are currently working with a €740,000 technical facility grant from the European Investment Bank to build the knowledge and toolkit needed to scale up CCF in Ireland and the UK. In 2024, this research engaged experts across Europe and the UK, from UK foresters to soil experts in ETH Zurich.

We have also entered into partnerships with two EU-based carbon project developer start-ups. We are working with Ecobase to develop European forestry carbon projects and with Climate Farmers for our tree nut and olive orchard portfolio. Through these collaborations, SLM Partners is supporting the growth of voluntary carbon markets in Europe, creating new carbon accounting methodologies for new geographies and new crop types.

Community Engagement & Education

SLM Partners is committed to ensure its investment strategies align with both the interests of the communities in which it operates and the needs of our clients. Community engagement efforts are driven by our local operators who have a better understanding of the local context and needs. We support them wherever possible in these efforts.

In Spain, our local partner in Spain, Alfonso Chico de Guzman, is a leading regenerative farmer involved in many community engagement efforts across Murcia, including Commonland, AlVelAl, Almendrehesa and Regenerative Academy. By partnering with Alfonso, we have helped grow his operation, putting more land under his management and giving him the opportunity to expand these community engagement efforts.

For example, Regeneration Academy, an NGO supporting research and education on regenerative agriculture, attracts students from all over Europe. In 2024, Regeneration Academy hosted over 15 students on a farm owned by SLM Partners. One of the students conducted a community engagement project to assess how neighboring farmers perceived regenerative and organic farming practices.

In Australia, SLM manages large herds of cattle that graze on natural grasslands. We have partnered with LSS, the pioneers in Low Stress Stock Handling to hold training courses for all our staff and we also invite neighbouring farmers to join these courses. In 2024, SLM Partners was proud to host the Regenerating Rangeland conference at one of the properties in the SLM Australia Livestock Fund.

SLM White Paper

The Investing in Regenerative Agriculture - Reflections from the Past Decade is available for download here.

Listen to Paul McMahon present the findings of the paper on the Investing in Regenerative Agriculture podcast here.

Regenerating Rangelands Conference 2024

In September 2024, SLM Partners hosted the Regenerative Rangelands Conference on one of the properties within the SLM Australia Livestock Fund strategy. The event brought together 130 participants - graziers, ecologists, and innovators - from across eastern Australia. Over two days, they explored the interplay of people, land, and business, with sessions on grazing, water management, and landscape ecology.

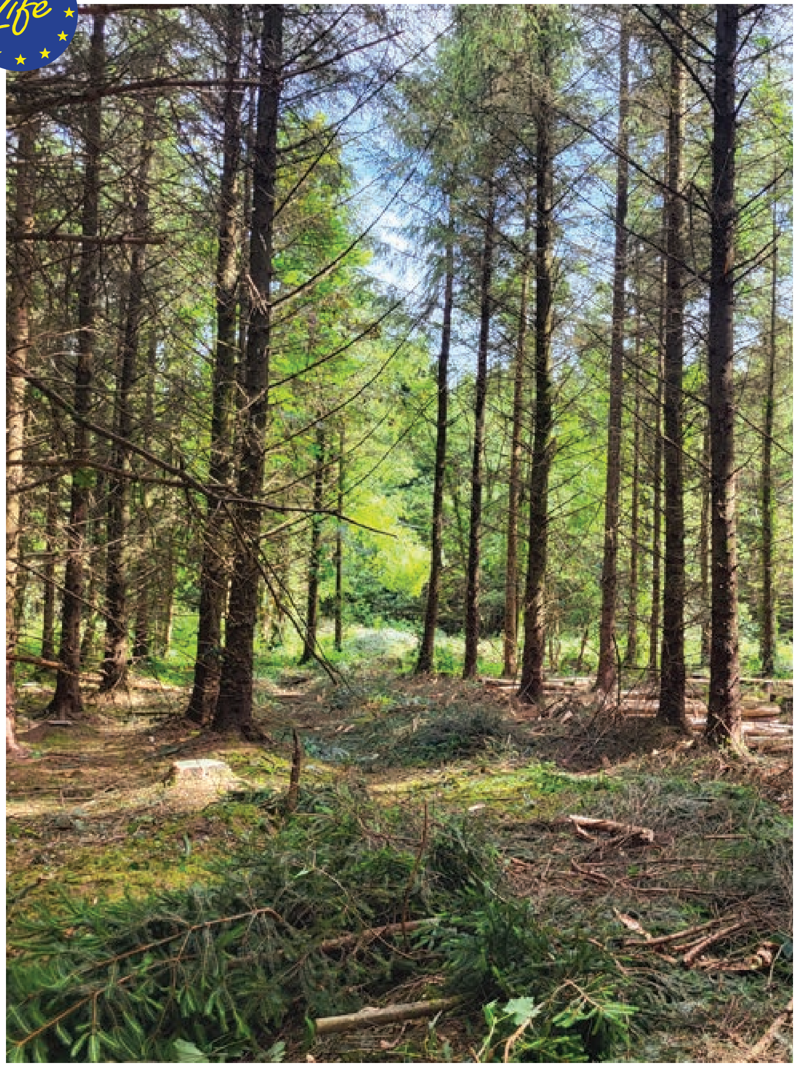
The event opened with remarks from Graham Finlayson, SLM Partners' General Manager, who reflected on a decade of managing rangelands in Queensland and New South Wales, implementing holistic planned grazing management.

Dr Judi Earl, one of Australia's leading grazing specialists who has been monitoring the health of the grasslands across the SLM portfolio since acquisition, presented the results for the 36 different monitoring sites under study since 2014. "The regeneration capacity of the land in the western division is phenomenal", she said.

The event featured a diversity of speakers, including Jim Lindsay from Low Stress Stock (LSS), Glenn Landsberg from Landscape Rehydration, David Maclean from RCS, Lauren Beresford from Lachlan Hughe Foundation, Dick Richardson from Natures Equity and many more.

The Natural Capital Finance Facility from the European Investment Bank

SLM Partners is currently working with a technical facility grant from the European Investment Bank (EIB) to build the knowledge and toolkit needed to scale up CCF in Ireland and UK. This grant is funding research by consultants engaged by the RPS Group, working closely with our local Irish forest manager, Purser Tarleton Russell (PTR) Limited. The SLM properties will provide data inputs for the research



Research Objectives	Description
CCF Training and Capacity Building Programme	The project has delivered an extensive training programme on CCF management through 8 training workshops, attended by a total of over 80 people across the UK and Ireland.
Generate Forest Inventory Data for Growth & Yield Models	The project is working with AFI (Association Futaie Irreguliere) and ISN (Irregular Silviculture Networks) to leverage software and data resources to monitor irregular stands and collect data that will drive growth and yield models.
Develop a CCF Carbon Accounting Methodology	Contrary to current forestry carbon models, this CCF carbon accounting methodology will simulate stock changes in litter and soils, in addition to biomass, deadwood and use-of-product. The project also aims to develop a series of tools to facilitate the registering of carbon projects under the VSC VM0003 methodology, underpinned by growth models of the transformation, regeneration, development and steady state stages.
Study Deer Carrying Capacity & Research Venison Markets	The project has studied deer population and deer impacts on natural regeneration (growth of seedlings) as well as developed a deer management plan and training.
Develop Biodiversity Monitoring Indicators	There is currently a lack of scalable tools to measure biodiversity of woodlands. The project aims to identify biodiversity indicators, baseline measurements and assess the impact on biodiversity of woodland management practices.
Establish a CCF Group Forest Management Certification Scheme	The project has set up a forest management group scheme and developed a roadmap to certification.
Research on Forest Soil Microbiomes and Impacts of Yield and Carbon Capture	The management of forest fungal microbiome has the potential to enhance not only timber yield, but also forest carbon capture in both stems and soils. The project will characterise the fungal microbiome across SLM's properties, perform soil transplants to inoculate forests with different fungal communities and track the impact on tree growth and carbon capture.

Our Investment Approach

Strategy Design › Local Partners › Due Diligence › Invest › Manage › Exit

Agriculture and forestry assets are highly exposed to nature - and climate - related risks, opportunities, impact and dependencies, therefore the assessment and management of these issues is crucial to ensure we can deliver our financial and impact objectives. Nature - and climate - related issues are integrated across our investment process, from strategy design to exit.

Strategy Design

- Focus on low risk developed countries with strong property rights and low social risk .
- Target attractive commodity markets with solid supply-demand dynamics and good growth prospects.
- Target areas with attractive land value and favorable production economics for growing our target crops,
- Identify geographic regions with suitable soils, climatic conditions and water availability for our medium- to long-term investment horizon.
- Identify regenerative land management systems that deliver superior profits and strong environmental benefits - carry out extensive research and financial analysis to understand environmental impacts and profitability.

Local Partners

Identifying the right partners is the first step towards strategy implementation. We partner with local farmers and foresters who have a strong track record in managing our selected systems and are well positioned to deliver on our economic and impact objectives.

Due Diligence

- Our investment due diligence includes, but is not limited to, the following assessments:
- A review of the farm or forest to assess overall condition of the land, the soil quality and its suitability for the target crops or trees. The team leverages third-party expertise as well as publicly available resources such as soil maps.
- An environmental assessment to spot any High Conservation Value areas, key environmental features of the farm, forest or landscape .
- A climate suitability assessment to ensure rainfall and temperatures are suitable for the target crops and trees. This can involve climate modeling to forecast the climatic suitability over the medium - to long-term based on different climate scenarios. The teams leverage historical data from local weather stations and satellite imagery technology solutions.
- A water analysis for crops dependent on irrigation to assess the sustainability of the water source (groundwater or surface water) and water rights. This analysis leverages third-party analysis from technology providers and water governance experts.
- An inspection of the buildings, infrastructure and machinery on the farm to ensure minimum standards on Health & Safety measures are met.

Invest

Acquire land and infrastructure (e.g. efficient irrigation systems, solar panels) and partner with local operators. When structuring deals, we aim for the highest level of alignment between the interests of our investors and those of our local partners.

Manage

Implement regenerative land management for the production of commodities, alongside environmental outcomes. Monitor management, results and outcomes through third-party certifications, site visits, impact data collection and performance reviews.

Exit

Some of our fund are closed-ended. In these structures, we aim to bring highly productive, sustainably managed and resilient farmland and forestland portfolios on the markets after a 10+ years period.

Build Resilience

Across both agriculture and forestry systems under our management, the mitigation and adaptation to climate and nature-related risks guides our design choices.

A benefit of regenerative land systems is resilience. The world will face increasing climate volatility in the coming decades because of climate change. This will lead to more droughts, heatwaves, storms and floods. It is essential to design farming and forestry systems that can withstand these shocks.

It is essential to design farming and forestry systems that can withstand these shocks.

In agriculture, regenerative practices can increase resilience to extreme weather events. For example, soils with organic matter act like a sponge, soaking up rain during heavy downpours and then releasing it slowly when the landscape dries out, smoothing out the effects of extreme weather. Improved water infiltration and water holding capacity leads to more stable production. [6]

In forestry, Continuous Cover Forestry can also help make forests more resilient to climate change. Forests under CCF will be better able to adapt to the changing climate thanks to their diversified structure, greater stability and wider genetic diversity. Forests under CCF management have also shown to have more rapid rates of recovery following windthrow events.

Case Study

Storm Eowyn

In January 2025, Storm Eowyn struck Ireland with record-breaking wind gusts of up to 114 mph (183 km/h), surpassing an 80-year-old record. These strong winds caused extensive damage to forests. The powerful winds led to widespread windthrow, uprooting and snapping of trees. Fermanagh and Omagh District Council reported thousands of trees damaged by the storm. Some of the properties in the SLM Silva Fund I portfolio were affected.

The risk of storms like Eowyn is increasing due to climate change. A warming climate leads to more intense storms and higher wind seeds. To protect the value of their forests and their income from timber sales, forest managers need to adapt and build more resilient forests.

Continuous Cover Forestry (CCF) is one way to build more resilient forests. CCF forests can better withstand biophysical shocks such as storms. Risk of wind damage is often cited as a reason not to use CCF, as thinning, especially on sites with wet soils that are exposed to the wind, can open up the forest too much and increase risk of wind blow. This is certainly the case when transformation to CCF is attempted on older even-aged forests or on unstable soils (e.g. peat) at exposed sites. However, if transformation to CCF is started early enough, before trees are too tall, the use of thinning and the associated creation of greater structural complexity in the forest will actually decrease the risk of wind damage. Trees develop stronger, more robust root systems, while the presence of an understorey slows wind speeds. Multi-storied, mixed stands have been found to be, in general, less prone to damage than single-storied, single-species stands.[7] And if wind damage does occur, blown trees can be harvested and replacement trees are already present in that understorey, speeding up recovery.

Measure, Report and Verify

To measure and report on environmental and social outcomes, we collect primary data directly from the farms and forests that we operate. This is done by partnering closely with our local operators. Our objective is to maintain a cost- and time-efficient process that delivers decision-useful information for our investors, our investment teams and, most importantly, the farmers and foresters with whom we work.

Our data collection framework was developed from a materiality and feasibility assessment of metrics recommended by TCFD, TNFD, IRIS+, as well as metrics developed internally. We collect the data inputs on an annual basis and report them in our annual impact report (see Results section).

Where possible, we leverage external consultants to provide more technical datasets and third-party verification for our inputs. This includes, for example, working with ecologists, natural capital accounting consultancy firms and carbon project developers. These experts provide a methodology and a verification process for inputs and results on the key biodiversity and carbon metrics.

Certification processes are also important to gather independent third-party verification of our claims. In agriculture, we pursue organic certification where possible, as well as Global GAP certification. In forestry, we seek certification from either FSC or PEFC.

USDA Organic

In the USA, 90% of our farms are certified USDA organic or in transition. This process requires verification from certified agents to inspect the fields, soil conditions, crop health, fertilisers used, approaches to management of weeds and other crop pests, water systems, storage areas and equipment.

EU Organic

Our organic farms in Europe follow strict rules on methods of production, namely around the use of synthetic fertilisers and other chemical inputs. These organic producers are verified once a year by a control agent to ensure proper adherence to the standard.

Global G.A.P

For all our non-organic farms in Europe, we will rely on Global G.A.P certification to provide assurance that all operations are aligned with EU and national regulations, as well as following good practice as defined by the Global G.A.P. standards. This certification requires an annual auditing process.

PEFC

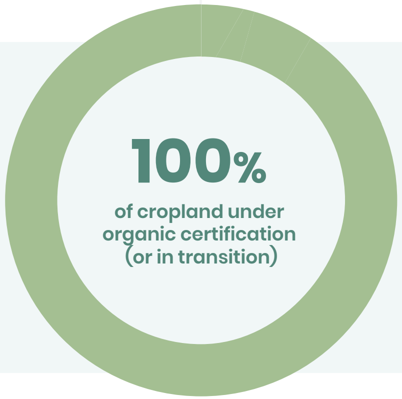
100% of our forestland is in transition to the Programme for Endorsement of Forest Certification (PEFC). Through annual audits, this third-party certification aims to verify that no adverse impacts related to biodiversity and local communities have occurred.

2024 Results

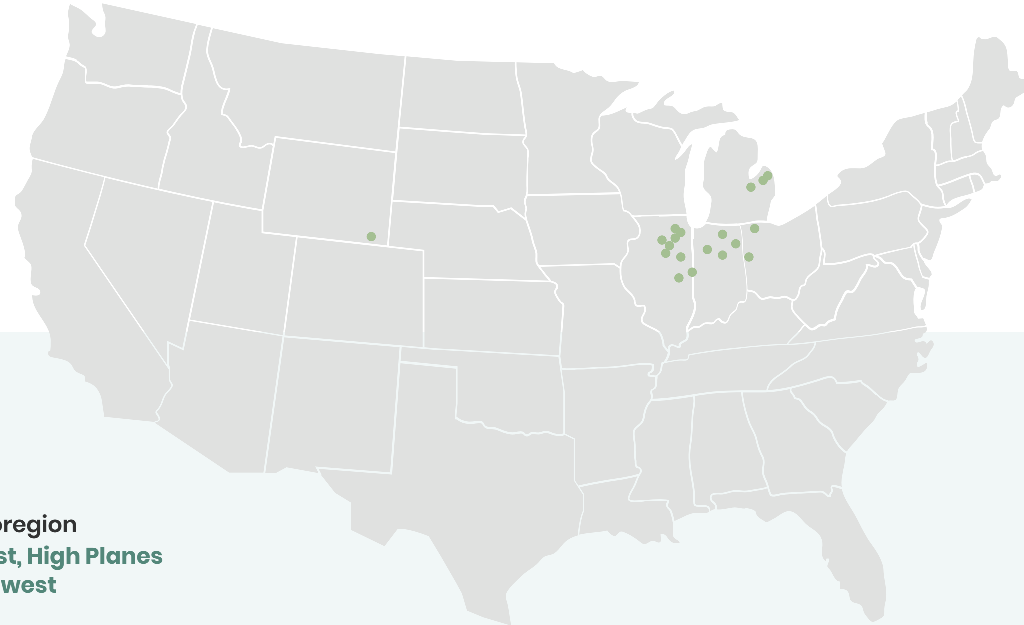
Organic Annual Crops

Total Spatial Footprint
11,076 hectares

Sustainable Land Use
Organic Farming



Target Ecoregion
US Midwest, High Planes and Northwest



Theory of change

Conventional arable farming has largely focused on maximising yields, leading to an over-reliance on external inputs, such as synthetic fertilisers, genetically modified seeds, pesticides, herbicides and other chemicals. These farming systems are associated with a number of well-documented problems: soil erosion, water pollution, pesticide toxicity, high greenhouse gas emissions, reduction of biodiversity (such as pollinators), and over-use of antibiotics in animals. At the same time, conventional farmers often struggle to make a profit, squeezed between high input costs and fluctuating commodity prices.

Organic agriculture is governed by a strict set of regulations that prohibit the use of synthetic pesticides and fertilizers, genetic engineering (GMOs), antibiotics, and growth hormones, as well as requiring the use of farming methods that promote ecological balance and foster on-farm biodiversity. As a result, organic farmers tend to grow a more diverse range of crops, plant cover crops to nourish the soil, and use livestock manure or compost to build soil fertility. They rely on biology, not chemistry, to sustain production and to control pests and weeds.

Well-managed organic farms – using regenerative practices such as cover crops, diverse rotations, organic fertility and livestock grazing – can deliver many environmental benefits. They support more biodiversity and reduce nutrient run-off into waterways. They have healthier and more biologically active soils with higher levels of soil organic matter. Although they usually require tillage to control weeds, the use of organic farming practices has been shown to increase soil carbon over time and to reduce greenhouse gas emissions associated with synthetic fertilisers and agro-chemicals. As a result, organic farming can contribute both to climate change mitigation and adaptation.

Our strategy has positive social impacts by helping organic family farmers expand and thrive. We provide long-term access to land (instead of the leases of 1, 2 or 3 years that are common) and share in some of the financial risks of organic transition. We help farmers achieve higher levels of income, and employ more farm workers, which contributes to the revitalisation of rural economies. The transition to organic farming also reduces the amount of pesticide residues in food and eliminates the risk of pesticide poisoning for farm workers.

Organic Annual Crops

Climate
Mitigation & Adaptation

The transition to organic farming will eliminate the use of synthetic nitrogen fertiliser, a highly energy intensive product that represents a large part of emissions from conventional arable farming. The use of nitrogen-fixing cover crops, manure and compost in organic farming can also minimise the release of nitrous oxide (N2O) from soils, a potent greenhouse gas. Lastly, healthy soils under organic management are proven to sequester carbon, offsetting other farm emissions.[8]

Biodiversity

In the USA, our farms are either organic certified, or undergoing an organic transition, and therefore do not use pesticides, herbicides and synthetic fertilisers that are inherently damaging for insects, bees and soil microbiology. The introduction of diverse crop rotations and cover crops favours pollinator activity and kick-starts soil biological activity, leading to increases in beneficial bacteria, protozoa, fungi, earthworms and small arthropods. Organic farms also promote more bird diversity.[9]

Soils

We are introducing organic cropping systems that adopt a more diverse and multifunctional rotation, integrating cover crops and using biological fertility such as manure and compost. These practices, along with the judicious use of tillage to control weeds and the removal of chemical inputs that kill soil microbiology, promotes soil health, minimises erosion and gradually increases levels of soil organic matter.

Water

The adoption of sound organic fertility plans, the elimination of synthetic fertilisers and the introduction of cover crops minimises the run-off of nitrates and phosphates into streams – a major issue in the US Midwest.[10]

Society

We have partnered with several mid-sized organic farmers to expand their farm businesses across the US. Access to capital and the absence of long-term leases are major hurdles for farmers looking to extend organic operations. We fill that gap by purchasing land and setting flexible lease agreements that adequately reflect the risk and rewards. We also connect farmers to one and another so they can benefit from peer-to-peer learning. Through our investments, we are increasing the supply of domestically-grown, pesticide-free, organic certified food for consumers.

SLM Organic Annual Crops

Land-Use	Ref.	2024
Total assets [1]	IRIS+	**$280** m
Total spatial footprint [2]	TNFD	**11,076** ha
Extent of land ecosystem that is sustainably managed	TNFD	**100%**
Area under organic certification (or in transition) as a % of productive area	TNFD	**100%**
Extent of land ecosystem use change [3]	TNFD	**0** ha

Water	Ref.	2024
Agricultural area in High/Extremely High Water Stress [4]	TNFD	**3,127** ha
Average water basin physical risk [5]		**5.8**

Soil	Ref.	2024
Cumulative number of soil samples taken since acquisition [6]		**244**
Average SOM (%) [7]		**6.6%**

Carbon	Ref.	2024
Hectares in scope for 2024 reporting [8]		**10,347** ha
Scopes [9]		
Scope 1 & 2 emissions	TCFD	**735** tCO2e
Scope 3 (category 8) emissions	TCFD	**2,653** tCO2e
Total emissions per hectare		**0.33** tCO2e/ha
Removals (biogenic carbon) [10]		
† Soil carbon sequestration (land use management)		**-6,436** tCO2e
† Total removals per hectare		**-0.62** tCO2e/ha

Social	Ref.	2024
Total amount of food grown [11]	IRIS+	**23,930 t**
of which organic corn		7,914 t
of which organic soybeans		5,546 t
of which organic wheat		7,318 t
of which oats, beans, peas and other		3,515 t
Jobs directly supported or financed		**11** FTE
Number of partnerships with local farmers [12]		**22**
Average age of tenant farmers		**41**

1 Total assets are based on total committed capital, as of December 2024. **2** Total spatial footprint includes all land area owned or leased by SLM Partners, as of December 2024. **3** Land classifications are based on the IUCN Global Ecosystem Typology. **4** High and Extremely High Water Stress areas are identified using the WRI Aqueduct Water Risk Atlas. **5** Water basin physical risk scores taken from WWF Water Risk Filter, weighted by land area. **6** This includes all soil samples performed for the baselining, since acquisition. **7** The average soil organic matter (SOM) content from our baselining results. **8** We account for carbon emissions and removals of all productive land in our portfolio, for properties that were owned for at least 9 months during the reporting year 2024. **9** Emissions calculations are based on a combination of site-specific, primary data, where available, and informed estimates. Emissions calculations make use of the Cool Farm Tool, which combines LCA emissions factors, empirical models, IPCC Tier 1 and 2 methods and emissions factors and academic literature. We report emissions from directly operated assets as scope 1 and 2 emissions, and those from tenant-operated assets as scope 3 emissions. **10** Carbon removals in soils are estimated with the Cool Farm Tool based on land use management changes and their modeled impact on soil carbon stocks. Removals include sequestration from directly operated assets and tenant-operated assets. † Higher level of uncertainty due to limited availability of on-farm ground-truthing measurements. **11** This production reflects the final output for all farms in our portfolio. The production for 11% of the farms under our management was estimated using average yield per crop type. **12** Partnerships include long-term leases or long-term management agreements.

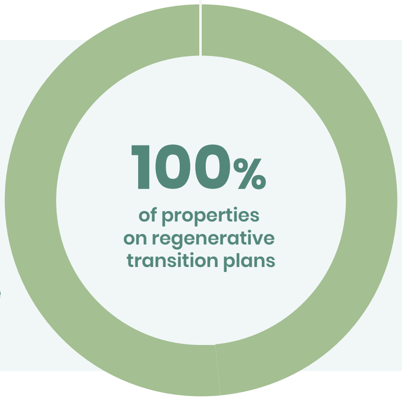
SLM Organic Annual Crops

Biodiversity	Ref.	2024
Extent of land conserved or restored	TNFD	**118** ha
of which voluntary		118 ha
of which required by regulations		0 ha
Crop breed diversity	TNFD	
number of species grown		10+
Land treated with synthetic pesticides		**0** ha
Land treated with synthetic nitrogen		**0** ha

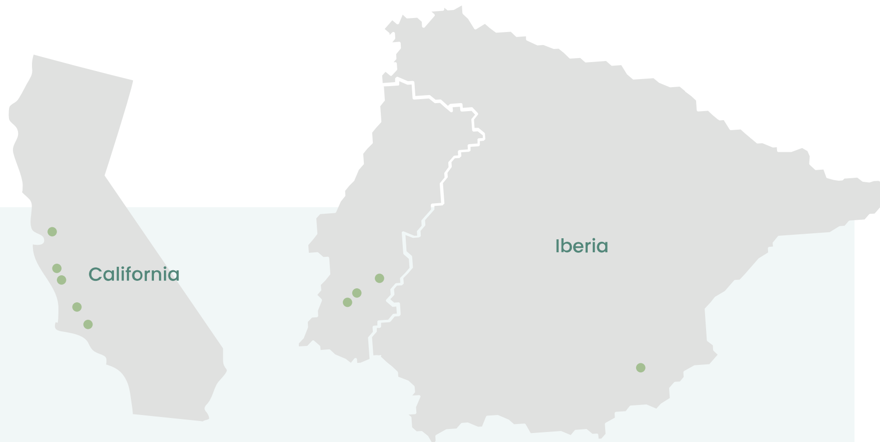
Regenerative Permanent Crops

Total Spatial Footprint
4,410 hectares

Sustainable Land Use
Regenerative Agriculture



Target Ecoregion
Mediterranean Climates in California and Iberia



Theory of change

The recent surge in global tree nut production, especially almonds and pistachios, has been mostly driven by the development of intensive irrigated orchards. These systems rely on heavy use of external inputs, such as synthetic fertilisers and pesticides, to ensure plants can thrive in a man-made environment, characterised by a single commercial specie.

While this approach can deliver high yields, an oversimplified and reductionist view of agricultural systems has led to damaging land use practices and several negative environmental externalities. These include water and soil pollution, biodiversity loss, and high Greenhouse Gas (GHG) emissions, which ultimately hinder the long-term sustainability of farming. Farms have become detached from, and have very little resemblance to, natural systems. Traditional rainfed systems in Mediterranean zones also suffer from land degradation. Soils are often kept bare through tillage or application of herbicides, which can lead to soil erosion, nutrient run-off and loss of soil organic matter.

In recent years, innovative farmers have developed regenerative practices that build soil health, reduce reliance on external inputs, and have a positive impact on biodiversity, water and carbon cycles. Broadly defined, the key principles of regenerative agriculture are minimising soil disturbance, eliminating or reducing agrochemical use, keeping soil covered, maximising plant diversity, and integrating livestock. Although the regenerative agriculture movement is more developed within annual cropping and livestock systems, the same principles can be applied to permanent crops.

We are working with a number of growers using regenerative practices in orchards in Iberia and the US. Key practices include planting cover crops between tree rows, minimizing tillage, using composts and biodiversity fertilisers, mulching the pruning residues and planting hedgerows or pollinator habitats for integrated pest management. Whole orchard recycling at the end of orchard life also significantly improves the GHG profile. These systems can produce nuts, olives and other crops in a profitable way while storing carbon and improving soil health. By increasing soil organic matter, they also use water more efficiently. When economically viable, orchards are transitioned to organic certification to tap into higher premium markets.

Walnut orchard in Portugal (SLM Silva Europe Fund)

Regenerative Permanent Crops

Climate

Mitigation & Adaptation

Within orchards, we invest in both greenfield and brownfield projects. Greenfield projects involve planting trees - converting an arable land (typically with a negative carbon profile) to a perennial tree-system that will store carbon through time. Within brownfield projects, the carbon profile of the assets can be improved by reducing fossil-fuel based inputs (such as synthetic fertilizers), switching to on-farm renewable energy and improving soil carbon stocks through regenerative practices. These practices also improve resilience to extreme weather events.

Biodiversity

Our regenerative orchards move away from herbicides such as Glyphosate that kill ground cover and negatively impact soil microbiology. Instead, we actively promote ground cover between the trees, which is controlled by mowing or grazing. This allows us to integrate a wide variety of grasses and flowering plants within the productive areas of the farm, supporting biodiversity above and below ground. We also build semi-natural habitats to attract beneficial insects for pollination and integrated pest management. By moving away from synthetic fertilizers and applying manure or compost, our soil health practices directly support active soil microbiology.

Society

We establish long-term partnerships with local operators who are experts in specific tree-crops and aligned with our impact objectives (i.e. organic or regenerative) and who, because of our investment, can expand their impact over more land. We also facilitate training and knowledge sharing amongst our partners. We also invite research projects on the farms that can help support the economic and environmental case for regenerative practices in permanent crops. Our orchards produce healthy and nutritious nuts and olives with less chemicals and less negative environmental externalities.

Soils

Across our orchard properties, our farmers apply regenerative practices that enhance soil health, maximize ground cover and plant diversity, minimize soil disturbance, eliminate or reduce agrochemical use and adopt improved biomass and nutrient cycling practices such as composting and mulching of pruning residues. These practices support the build-up of Soil Organic Matter, which is the foundation for a healthy soil ecosystem, a good structure and carbon storage.

Water

Across our orchard properties, we install drip and micro-sprinkler irrigation infrastructure to improve efficiency. With new precision agriculture technologies, such as soil probes combined with on-site climate stations, we can now match irrigation to the demands of the trees in a more precise way, leading to considerable water savings. Soil health is also key when it comes to water management: it is estimated that each 1% increase in soil organic matter (SOM) improves the water holding capacity of soils by 187,000 litres. [11]

Regenerative Permanent Crops

Land-Use	Ref.	2024
Total assets[1]	IRIS+	**$282** m
Total spatial footprint[2]	TNFD	**4,410** ha
Extent of land ecosystem that is sustainably managed[3]	TNFD	**100%**
Area under organic certification (or in transition) as a % of productive area	TNFD	**61%**
Extent of land ecosystem use change[4]	TNFD	**80** ha
T7.5 Semi-Natural Pasture / Old Fields to T7.3 Plantations		16 ha
T7.3 Plantations to T7.1 Annual Crops		16 ha
T7.1 Annual Crops to T7.3 Plantations		48 ha

Water	Ref.	2024
Agricultural area under High/Extremely High Water Stress[5]	TNFD	**2,819** ha
Average water basin physical risk[6]		**6.2**

Soil	Ref.	2024
Cumulative number of soil samples taken since acquisition		**138**
Average SOM (%)[7]		**1.61%**

Carbon	Ref.	2024
Hectares in scope for 2024 reporting[8] % of total productive area		**2,662** ha 75%
Scopes[9]		
Scope 1 & 2 emissions	TCFD	**340** tCO2e
Scope 3 (category 8) emissions	TCFD	**3,311** tCO2e
Total emissions per hectare		**1.37** CO2e/ha
Removals (biogenic carbon)[10]		
† Soil carbon sequestration (land use management)		**-709** tCO2e
† Tree carbon flux[11]		**-2,435** tCO2e
† Total removals per hectare		**-1.18** tCO2e/ha
Climate Risks & Opportunities		
Investment in low-carbon alternatives[12]	TCFD	**54,969** USD
Renewable power generation	TCFD	**79,500** kWh

1 Total assets are based on total committed capital, as of December 2024. **2** Total spatial footprint includes all land area owned or leased by SLM Partners, as of December 2024. **3** This includes all properties that have a regenerative transition plan in place. **4** Land classifications are based on the IUCN Global Ecosystem Typology. We report on any land use change that has occurred since SLM ownership. **5** High and Extremely High Water Stress areas are identified using the WRI Aqueduct Water Risk Atlas. **6** Water basin physical risk scores taken from WWF Water Risk Filter, weighted by land area. **7** The average soil organic matter (SOM) content measured for the soil analysis performed in 2024. **8** We account for carbon emissions and removals of all productive land in our portfolio, for properties that were owned for at least 9 months during the reporting year 2024. **9** Emissions calculations are based on a combination of site-specific, primary data, where available, and informed estimates. Emissions calculations make use of the Cool Farm Tool, which combines LCA emissions factors, empirical models, IPCC Tier 1 and 2 methods and emissions factors and academic literature. We report emissions from directly operated assets as scope 1 and 2 emissions, and those from tenant-operated assets as scope 3 emissions. **10** Carbon removals in soils are estimated with the Cool Farm Tool based on land use management changes and their modeled impact on soil carbon stocks. Removals include sequestration from directly operated assets and tenant-operated assets . **11** Tree carbon flux accounts for carbon sequestration in tree crops using standardized tree yield curves that were drawn from published scientific literature. The yield curves were applied on the basis of the area planted and year of planting to estimate sequestration for the reporting year. **12** This includes investments in drip irrigation infrastructure and green infrastructure (e.g. hedgerows). † Higher level of uncertainty due to limited availability of on-farm ground-truthing measurements.

Super high density organic olive orchard in Spain (SLM Silva Europe Fund)

Regenerative Permanent Crops

Social	Ref.	2024
Total amount of food grown	IRIS+	**11,649 t**
of which almonds		458 t
of which walnuts		890 t
of which pistachios		535 t
of which citrus		3,534 t
of which grains & oilseeds		6,233 t
Total jobs directly supported or financed	IRIS+	**5** FTE
Number of partnerships with local farmers [1]		**8**
Number of Regeneration Academy students hosted [2]		**15**

Biodiversity	Ref.	2024
Extent of land conserved or restored	TNFD	**98** ha
voluntary		75 ha
required by regulations		24 ha
Area managed with a biodiversity restoration plan		**736** ha
Land treated with synthetic pesticides [3]	TNFD	**524** ha
Intensity of pesticides usage [4]	TNFD	**9.0** t
moderately hazardous		3.22 t
slightly hazardous		2.01 t
unlikely to present an acute hazard		0.63 t
unclassified		3.15 t
Land treated with synthetic nitrogen [3]		**524** ha

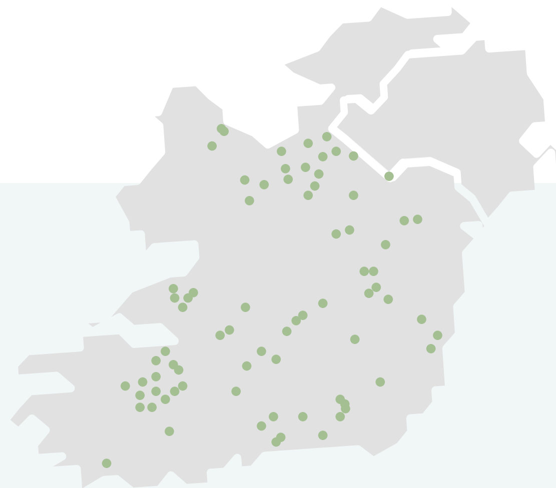
1 Partnerships include long-lease leases or long-term management agreements. **2** Regeneration Academy is an NGO focused on education related to regenerative agriculture and systemic change in food systems. **3** We are only reporting on pesticide and nitrogen usage that occurred while under the ownership of SLM Partners. Any pesticide or nitrogen applications that occurred on our properties in 2024 but prior to our acquisition are not reported. **4** Pesticide intensity usage is only reported for properties on which SLM Partners has operational control. Assets that are leased out are not included. The pesticide classification by hazardous level is based on the WHO Recommended Classification of Pesticides guidance.

Continuous Cover Forestry

Total Spatial Footprint
1,936 hectares

Sustainable Land Use
Continuous Cover Forestry

Target Ecoregion
Temperate Coniferous European Forests



Theory of change

Over centuries, formerly diverse forest landscapes have been progressively replaced by less diverse plantations, leading to the simplification and homogenisation of European forests. Temperate conventional forestry in countries like Ireland is dominated by non-native, single-specie, even-aged stands that are managed in a clear-fell-replant system. Under this system, land is prepared and planted with trees, the plantation is thinned periodically, and all the remaining trees are then harvested on maturity, before the land is replanted for the next rotation. This silvicultural system is easy to plan and execute. But it exposes investors to certain risks: (i) Even-aged monocultures are more susceptible to pests, diseases and windthrow – risks that are likely to be exacerbated by climate change; (ii) Clear-felling can cause negative environmental impacts such as soil damage, water run-off, reduced biodiversity, low amenity value and release of forest and soil carbon; (iii) Tightening government regulations and certification standards are constraining the ability to apply this system, especially in environmentally sensitive areas. Furthermore, biodiversity in forests will be crucial to the resilience of European forests as the climate changes.

Continuous cover forestry is a viable alternative.

In the right circumstances, CCF can deliver important climate and biodiversity benefits, while strengthening forest resilience and maintaining or increasing financial returns. CCF, or “close to nature” forestry, is a more sustainable form of forest management that seeks to maintain permanent forest cover and avoid clearfelling. Harvesting takes place through regular thinning, i.e. removal of a portion of standing trees. High quality trees are allowed to grow larger. The canopy is opened up to let in light and to encourage natural regeneration of new seedlings, which eventually fill the gaps left by the felled trees. The system relies on natural regeneration to develop a mixed-age stand, and species diversity is encouraged and naturally emerges across the full productive area of the forest, rather than being compartmentalised in plots. The overall objective is to maximise the commercial benefits from woodland while letting natural processes do most of the work.

Restocking planting on SLM property in Ireland with retained Larch.

Continuous Cover Forestry

Climate

Mitigation & Adaptation

We are investing in young, fast-growing forests that have very high rates of carbon sequestration, both above ground in trees and below ground in roots and soils. Transformation to CCF leads to higher average carbon stocks in standing trees as it avoids the liquidation of carbon stocks during a clearfell event. CCF allows for the accumulation of greater volumes of deadwood and litter on the forest floor as these derive from the higher average carbon stocks in standing trees. CCF also increases and preserves soil carbon as it avoids the oxidation of carbon following mechanical soil disturbance during clearfell and replanting events. [12] Finally, CCF also generates a higher proportion of sawlogs that go into long-lived wood usages (construction timber, furniture) instead of short-lived products (paper, biomass). [13]

Biodiversity

Forests managed under CCF have higher biodiversity values. This is largely achieved through the avoidance of clearfelling, which destroys the forest ecosystem and much of the flora and fauna associated with it. CCF preserves a permanent forest ecosystem that gives time for the development of richer biodiversity. But CCF also leads to the emergence of more complex and natural forests, with a greater range of tree species and tree sizes, and more deadwood, old trees and litter. Thanks to the natural regeneration promoted by CCF, species diversity emerges across the full productive area of the forest, rather than being compartmentalized in plots. This provides a more benign habitat for a greater range of species. CCF also avoids the damage to soil microbiology and pollution of waterways that is associated with clearfelling and replanting. [14]

Soils

By transitioning forest properties towards CCF management we avoid the clear-fell events that can cause soil compaction and erosion. Instead, we practice selective harvesting and confine machines to established roads and racks, so preserving forest soils and habitat. Further, the promotion of a mixture of broadleaves and conifers will reduce the acidification associated with conifer monocultures and increase biodiversity below ground through critical fungi associations in tree roots.

Water

Our forest sites benefit from a mild climate and reliable rainfall. Our management approach improves water quality by moving away from clear-felling, which is associated with the release of sediments and nutrients into streams, and a gradual acidification of water bodies. In many cases, these freshwater bodies harbour rare species such as the freshwater pearl mussel and salmonids.

Society

In Ireland, our fund acts as a demonstration project for the commercial viability of CCF. We are helping to train new foresters and harvesting contractors in this sustainable forestry management and have the support of a technical assistance facility from the EU LIFE Programme. By transitioning away from monocultures and clear-felling, we will develop forests that have greater aesthetic and amenity value for local communities, helping to address some of the issues that have caused public opposition to forestry in recent years. Our approach also ensures that forest management optimises the multiple uses of forests, including amenity and landscape values, local timber production, climate change regulation, and the protection of

Continuous Cover Forestry

Land-Use	Ref.	2024
Total assets [1]	IRIS+	**$31** m
Total spatial footprint [2]	TNFD	**1,936** ha
Total productive area	IRIS+	**1,452** ha
Extent of land ecosystem that is sustainably managed (CCF) [3]	TNFD	**64%**
Forestland in transition to PEFC certification	TNFD	**100%**
Extent of land ecosystem use change [4]	TNFD	**0** ha

Carbon	Ref.	2024
Portfolio coverage (% of total productive area)		**100%**
Scope 1 & 2 emissions [6]	TCFD	**191** tCO2e
Forest carbon flux (biogenic carbon) [7]		**-13,963** tCO2e
Timber Harvested		**16,305** tCO2e
Timber Growth		**-30,268** tCO2e
Scope 3 (Harvested Wood Products) [8]	TCFD	**-2,689** tCO2e
Total carbon stock	TCFD	**478,089** tCO2e

Social	Ref.	2024
Timber harvested	IRIS+	**18,996** m3
Total jobs directly supported or financed	IRIS+	**7** FTE
Number of training hours completed / provided [5]		**256** hours
Number of CCF training courses held [5]		**8**
Number of foresters trained [5]		**80**

Water	Ref.	2024
Agricultural area in High/Extremely High Water Stress [9]	TNFD	**0** ha
Average water basin physical risk[10]		**4.1**

1 Total assets are based on total committed capital, as of December 2024. **2** Total spatial footprint includes all land area owned or leased by SLM Partners, as of December 2024. **3** Our definition of sustainable management in forestry strictly applies to forests under Continuous Cover Forestry management, which move away from clearfell rotations. **4** Land classifications are based on the IUCN Global Ecosystem Typology. We report on any land use change that has occurred since SLM's ownership. **5** This captures all training undertaken and provided by SLM Partners and our JV forestry partners Purser Tarleton Russell Ltd under the EU Life Natural Capital Financing Facility. **6** Scope 1 & 2 emissions for the forestry assets we own and operate include all emissions associated with harvesting activities and road construction, making use of emissions factors from the Woodland Carbon Code. **7** The forest carbon flux accounts for annual changes in standing forest inventory driven by annual tree growth and timber harvesting. From the merchantable inventory (using IPTIM software), carbon stock is estimated by using species-specific conversion and biomass expansion factors from the IPCC . We convert timber volumes (m3) to dry weight, then to whole-tree biomass to account for non-merchantable components such as roots and branches, as well as deadwood and litter, and finally to metric tons of CO2e. **8** Carbon sequestration from harvested wood products (scope 3) is calculated using the Winjum et al. method in alignment with the VCS Methodology VM0003 (Methodology for improved forest management through extension of rotation age). **9** High and Extremely High Water Stress areas are identified using the WRI Aqueduct Water Risk Atlas. **10** Water basin physical risk scores taken from WWF Water Risk Filter, weighted by land area.

Continuous Cover Forestry

Biodiversity	Ref.	2024
Extent of land conserved or restored	TNFD	**68** ha
voluntary		58 ha
required by regulations		10 ha
Crop breed diversity	TNFD	
number of species grown		**16**
Land treated with synthetic pesticides[1]		**50** ha
Intensity of pesticides usage[1]	TNFD	**0.076** t
moderately hazardous		0.070 t
slightly hazardous		0.006 t

Species: Sitka Spruce, Norway Spruce, Lodgepole Pine, Scots Pine, Japanese Larch, Western Red Cedar, Douglas Fir, Ash, Beech, Sycamore, Oak, Alder, Birch, Maple, Cherry and Whitethorn

1 We are only reporting on pesticide and nitrogen usage that occurred while under the ownership of SLM Partners. Any pesticide or nitrogen applications that occurred on our properties in 2024 but prior to our acquisition are not reported. The pesticide classification by hazardous level is based on the WHO Recommended Classification of Pesticides guidance.

Sustainability Indicators for Forests

In partnership with technical forestry and environmental experts of the European Investment Bank, we have defined 7 sustainability indicators for our forests in Ireland which will be tracked and measured over the life-time of the fund.

Indicator 01

Area of Forest Management Under CCF (hectares)

Relevant: This requirement is aligned with the Fund's objectives and acquisition strategy.

Means of Measurement: The management / silvicultural system to be used for each forest will be stated in each individual forest management plan. A summary of these areas in hectares will be available via the forest inventory.

Indicator 02

Forest Naturalness: Deadwood

Relevant: Fallen and standing deadwood, retained as habitat, is a key biodiversity indicator used intentionally. Forest naturalness increases with greater volumes of retained deadwood.

Means of Measurement: Deadwood will be measured in cubic meters per hectare (m3/ha) as part of the forest inventory.

Indicator 03

Forest Naturalness: Tree Species Range

Relevant: Most Irish plantation forests are either monocultures or have a very narrow range of species present. By increasing the range of species, opportunities arise for greater biodiversity levels and increased resilience against climate change.

Means of Measurement: The tree species at each site shall be recorded in the forest inventory.

Indicator 04

Forest Naturalness: Tree Size Distribution

Relevant: Conventional forest management in Ireland is to homogenise tree sizes through thinning so that at felling all trees are of a similar size. Conversely, in CCF management, thinning is used to diversify the range of tree sizes in order to ensure a stock of trees over an extended time period. Therefore, the tree size distribution for any stand can be used as a strong indicator that stands are progressing towards CCF.

Means of Measurement: Tree Diameter at Breast Height ("DBH") can be used as a proxy for tree size and the DBH distribution is measured as part of the inventory process. DBH is measured in centimetres (cm) and a distribution across the DBH range of trees in each stand can be presented.

Indicator 05

Forest Naturalness: Regeneration

Relevant: Conventional forest management in Ireland does not encourage natural regeneration. In CCF management, thinning from an early age is used to reduce the basal area to levels that encourage natural regeneration and stands are retained allowing seeding to occur. For this reason, the presence of natural regeneration is considered a reasonable indicator of progress in CCF management.

Means of Measurement: The presence or absence of natural regeneration in the stand will be recorded in the forest inventory.

Indicator 06

Carbon Sequestration

Relevant: Forests are an important carbon sink and provide mitigation against global warming and climate change. For CCF forests, while some carbon is leaked from the system through natural timber decay and harvesting, the forest as a whole locks in carbon both above and below ground and this is retained as long as the forest is retained.

Means of Measurement: Based on timber inventory, harvesting volumes and share of long-lived Harvest Wood Products, the carbon stored and sequestered at each site will be recorded.

Indicator 07

Forest Naturalness: Other Identified Biodiversity Features

Relevant: At present, most conventional forest inventory systems in Ireland are weak with regards to the assessment and recording of biodiversity features and indicators. Apart from the features already proposed as indicators above, other features such as veteran trees, caves, cliff faces, old hedgerows, river banks, water courses, open species, inaccessible banks, springs, nesting sites, swamps etc. can be of high biodiversity value and should be recorded as such in the forest inventory.

Means of Measurement: Combined biodiversity data will be summarised per site on a site biodiversity map that quantified in area (ha) and percentage terms, the proportion of each site where biodiversity objectives are prioritised.

Holistic Planned Grazing

Total Spatial Footprint
284,500 hectares

Sustainable Land Use
Holistic Planned Grazing & Mulga Regeneration

Target Ecoregion
Temperate grasslands, savannas and shrubland in Queensland & New South Wales, Australia

Theory of change

Beef cattle production has attracted a bad reputation for its methane emissions, but the problems associated with raising cattle for beef production go well beyond methane. From industrial cattle feedlots to poorly managed grassland, the negative impacts vary from deteriorating soil health, chronic soil erosion and carbon loss, broken water cycles and biodiversity loss, with systems heavily reliant on grains and monocultures. These systems lead to degradation of natural ecosystems, present hidden financial and environmental risks, and ultimately externalise these costs and risks to the wider society.

The native grasslands managed by SLM are in brittle and semi-arid environments unfit for cropping or other agricultural uses. If left un-grazed, these areas tend to degenerate and become hot spots for wildfires. If poorly grazed, land health conditions can also degrade quickly leading to erosion and loss of carbon.

Our strategy is to implement a management process known as "holistic planned grazing". This involves dividing land into smaller paddocks, putting cattle in large herds, and moving them frequently across the property. It provides a decision-making framework that allows managers to vary the size of herds and the frequency of herd movements according to seasonal conditions, mimicking the behaviour of large herds of herbivores in natural environments.

The adoption of holistic planned grazing has the potential to mitigate these issues while also creating a wealth of positive impacts on the land. The frequent movement of larger herds leads to intense, beneficial impacts on grasslands through the breaking up of soil capping, more even grazing of forages, and improved manure distribution. Long rest periods allow for full grass recovery and improved ground cover, leading to an increase in plant diversity, particularly of perennial grasses, legumes and forbs. These are key catalysts to improve carbon, mineral, water and energy cycles. Academic research indicates that well-managed grasslands can store significant amounts of additional carbon, enough to offset most or all of the methane emissions associated with cattle.[15][16]

Holistic Planned Grazing

Climate
Mitigation & Adaptation

Our beef cattle operations employ holistic planned grazing to improve soil health and ground cover, which increase the ability of soils to sequester carbon from the atmosphere. This controlled grazing system also allows us to adjust stocking rates according to seasonal conditions and to avoid overgrazing – which was an important tool during a long-running drought that hit our region from 2013 to 2020. Thanks to this management, we were able to establish 4 carbon projects across 158,412 hectares of land, forecasted to sequester 4.5 million tCO2-eq over 25 years. We have already sold a total of 1.8m Australian Carbon Credit Units (ACCUs) and have achieved an exit for the fund which had 2 large carbon projects in place. The sale delivered a gross IRR of 16.4%, largely because of the value of the carbon projects we put in place.

Biodiversity

Our adoption of holistic planned grazing in natural grasslands is promoting a shift from a few annual species to a diverse mix of perennial grasses, legumes and forbs. These species have deeper root systems, are more drought resistant, more productive and enhance the nutrient cycling critical for soil microbiology. Our systems are also chemical-free, which increase the presence of dung beetles and other beneficial insects.

Soils

SLM Partners has introduced holistic planned grazing across its properties with the aim of maintaining year-round ground cover, breaking soil capping, and allowing grasses to fully recovery after grazing. These practices, in conjunction with improvement manure distribution, help the natural re-establishment of deep-rooted perennial grasses, legumes and forbs (i.e. herbaceous flowering plants) that sustain soil microbiology and soil fertility.

Water

Our cattle stations are located in a semi-arid and brittle environment in Queensland & New South Wales Australia. The focus of our land management is to improve vegetative cover and soil organic matter levels to restore efficient water cycles and promote greater water infiltration and retention in the soil. Our extensive water infrastructure development, with multiple tanks and troughs, also ensures livestock have access to quality water and avoids excessive water loss via evaporation and leakage from open reservoirs and dams.

Society

Our cattle operations provide employment opportunities in remote rural areas where jobs are few. We provide extensive training on holistic planned grazing and low-stress livestock handling to farm managers and employees, building a cadre of operators with new skills, some of whom have gone on to manage other properties with this management system. We produce grass-fed beef on natural grasslands without the use of pesticides or fertilisers.

Holistic Planned Grazing (SLM Australia Livestock Fund)

Land-use	Ref.	2024
Total assets [1]	IRIS+	**$47** m
Total spatial footprint [2]	TNFD	**284,500** ha
Extent of land ecosystem that is sustainably managed [3]	TNFD	**100%**
Extent of land ecosystem use change [4]	TNFD	**0** ha

Water	Ref.	2024
Average water basin physical risk [5]	TNFD	**5.5**
Water infrastructure developments since inception number of water points built length of piping installed	TNFD	 168 539 km

Social	Ref.	2024
Total amount of food grown (live-weight beef)	IRIS+	**1,628** t
Total jobs directly supported or financed	IRIS+	**14** FTE
Number of farmers trained in Low Stress Stock Handling		**11**

Carbon	Ref.	2024
Scopes [6]		
Portfolio coverage (% of total productive area) [7]		**100%**
Scope 1 & 2 emissions	TCFD	**21,078** tCO2e
of which methane (CH4) emissions	TCFD	**19,884** tCO2e
Scope 3 emissions	TCFD	**4,245** tCO2e
Total emissions per hectare		**0.09** tCO2e/ha
Removals (biogenic carbon) [8]		
Portfolio coverage (% of total productive area) [9]		**35%**
Carbon flux: sequestration from trees		**-81,977** tCO2e
Carbon credits (ACCUs) sales [10]		**37,012**
Cumulative carbon credit sales [11]		**1,837,402**
Total credits generated per hectare		**0.83** tCO2e/ha
Climate Risks & Opportunities		
Internal carbon price	TCFD	**25** US$/tCO2e
Investment in low-carbon alternatives [12]	TCFD	**74,737** US$
Renewable power generation		**30,000** kWh

1 Total assets are based on total committed capital, as of December 2024. **2** Total spatial footprint includes all land area owned or leased by SLM Partners, as of December 2024. **3** Our definition of sustainable management in grassland is the adoption of holistic planned grazing where the carrying capacity and movements of the herd are synchronized with the health of the grassland. **4** Land classifications are based on the IUCN Global Ecosystem Typology. We report on any land use change that has occurred since SLM ownership. **5** Water basin physical risk scores taken from WWF Water Risk Filter, weighted by land area. **6** Emissions calculations are based on a combination of site-specific, primary data, where available, and informed estimates. Emissions calculations make use of the Ruminati tool, which uses the Australian National Greenhouse Gas Inventory (NGGI) equations to calculate emissions. The emissions factors for farm inputs are sourced from the 2022 National Greenhouse Accounts Factors Workbook. Ruminati also uses the best available enteric methane yields for beet cattle as determined by Charmley et al (2016). The calculations adhere to the Australian Agriculture Sustainability Framework (AASF). Scope 1 and 2 emissions are related to livestock emissions (i.e. enteric methane and manure emissions), diesel and petrol emissions, on-farm fodder production and grid-supplied electricity emissions. Scope 3 emissions include upstream emissions associated with the purchased feed, fertiliser and pesticides, and externally purchased animals (i.e. emissions associated with producing the animal prior to entering the farm). **7** We account for carbon emissions of all productive land in our portfolio, for properties that were owned for at least 9 months during the reporting year 2024. **8** SLM has established several carbon projects under the Human-Induced Regeneration regulated carbon framework. The carbon removal estimates are measured by a third-party and leverage satellite imagery to estimate change in tree-cover across our properties. While our management approach supports the regeneration of native trees across all our properties, we only report carbon removal for areas that are part of a carbon project (i.e. 35% of the total productive area). **9** We only account for carbon removals that have been measured and verified by a third-party as part of a carbon project. **10** One Australian Carbon Credit Unit (ACCU) is equal to 1tCO2e removed or reduced, adhering to the government-approved carbon credit frameworks. **11** The cumulative carbon sales include all ACCU sales generated from properties owned by SLM Partners between 2016 to 2024. **12** This includes investment in electric motorbikes for the SLM team.

Holistic Planned Grazing (SLM Australia Livestock Fund)

Biodiversity	Ref.	2024
Area managed with biodiversity restoration plan [1]		**99,077** ha
Land treated with synthetic pesticides [2]		**0** ha
% of animal production that received antimicrobials		**0%**

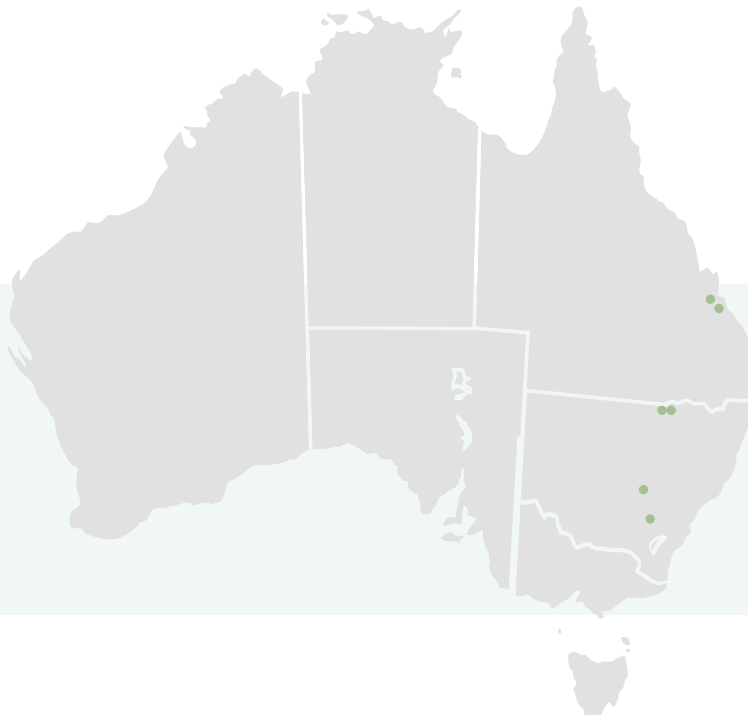
1 This includes all land area that is within our Human-Induced Revegetation carbon project, where grassland is managed to promote the revegetation of native Mulga trees. **2** We are only reporting on pesticide and nitrogen usage that occurred while under the ownership of SLM Partners. Any pesticide or nitrogen applications that occurred on our properties in 2024 but prior to our acquisition are not reported.

Australia Mixed Farming

Total Spatial Footprint
10,066 hectares

Sustainable Land Use
Regenerative Agriculture

Target Ecoregion
New South Wales, Australia



Theory of change

Australia has one of the most competitive farming sectors in the world, with a large land base, economies of scale, good infrastructure and efficient value chains. However, the majority of farms remain under conventional management, characterised by a limited range of crops or animals (specialisation), heavy reliance on synthetic inputs (fertilisers and pesticides), soil disturbance by powerful machinery, and a focus on achieving maximum yields at scale.[17] This leads to well-documented environmental problems: soil degradation, increasing reliance on chemical inputs (what is called the chemical treadmill), biodiversity loss, high greenhouse gas emissions, loss of soil carbon, water pollution, chemical residues and low-nutrition food. If faced with rising operating costs, stagnating yields and low commodity prices, conventional farmers can also face eroding margins and economic stress.

Our strategy is to work with innovative regenerative farmers across New South Wales, transitioning large mixed farming properties to regenerative agriculture. As well as delivering positive environmental benefits, there is a strong investment case for regenerative agriculture because it can be more profitable and deliver superior risk-adjusted financial returns.

Across our mixed farming properties, SLM implements a number of farming practices associated with regenerative agriculture, namely: minimising tillage and soil disturbance, planning cover crops, using diverse crop rotations, reducing synthetic fertilizers, adopting integrated pest management, integrating grazing animals into grain crop rotations and orchards to control weeds and recycle nutrients, raising animals on pasture using rotational grazing practices to maximise forage growth and animal health and integrating trees on the farms. The objective is to grow food and other products in a way that enhances soil health, climate stability and ecosystem functionality, while being economically sustainable.

Regenerative agriculture can also position landowners to benefit from carbon markets. SLM is putting in place carbon projects to quantify and monetize the additional carbon sequestration taking place above and below ground across our farms.

Australia Mixed Farming

Climate

Mitigation & Adaptation

By implementing regenerative agriculture practices, farms can reduce their greenhouse gas emissions and increase carbon sequestration. Emission reductions come from reducing tillage, reducing the use of synthetic nitrogen fertilisers and other inputs, replacing fossil fuel energy with renewable energy, and using feed additives, such as Asparagopsis to reduce methane from ruminant livestock. Increased sequestration will occur when regenerative practices improve soil health and increase the amount of soil organic matter, as well as by planting native trees and shrubs or commercial forestry species on less productive areas of farmland.

Biodiversity

On arable areas, regenerative farming practices such as reduced tillage, reduced synthetic fertilisers and chemicals, use of biological fertilisers, cover crops and integration of livestock grazing are expected to improve the microbial life of soils and support more insect and bird life. In some areas, we convert arable land to perennial pastures and use holistic grazing to improve ground cover and plant communities. We also carry out environmental plantings - establishment of native trees and shrubs - on less productive land, including riparian areas and hillsides. These plantings not only store carbon but also provide habitats for native flora and fauna.

Soils

The implementation of regenerative farming practices (such as reduced tillage, reduced synthetic fertilisers and chemicals, use of biological fertilisers, cover crops, more diverse crop rotations, integration of livestock grazing to cropping, and holistic planning grazing of livestock) is expected to produce improvements in soil health across our properties. This will include more microbial activity, better soil structure, more nutrient availability, and reduction of soil erosion.

Water

By implementing regenerative farming practices, and improving the water holding capacity of soils, we expect to achieve improvements in water use efficiency and reduce the volume of irrigation water required to grow a tonne of crop each year. We also seek to deliver other positive impacts on the hydrological cycle through landscape management. By improving soil health and preventing soil erosion, and by planting trees in riparian areas, we can reduce sediment and nutrient run-off into waterways and improve water quality.

Australia Mixed Farming

Land-use	Ref.	2024
Total assets [1]	IRIS+	**$115** m
Total spatial footprint [2]	TNFD	**10,066** ha
Extent of land ecosystem that is sustainably managed [3]	TNFD	**97%**
Extent of land ecosystem use change [4] cropping paddock (T7.1) converted to semi-natural pasture (T7.2)	TNFD	**253** ha

Water	Ref.	2024
Average water basin physical risk [5]	TNFD	**5.5**
Total irrigated area		**290** ha

Social	Ref.	2024
Total amount of food grown	IRIS+	
of which wheat		5,895 t
of which canola		927 t
of which beef		298 t
of which lamb		348 t
of which wool		12,823 kg
of which barley		461 t
of which cotton		2,572 bales
Total jobs directly supported or financed	IRIS+	**6** FTE

Carbon	Ref.	2024
Scopes [6]		
Portfolio coverage (% of total productive area) [7]		**74%**
Scope 1 & 2 emissions	TCFD	**5,539** tCO2e
of which methane (CH4) emissions	TCFD	**3,228** tCO2e
Scope 3 emissions	TCFD	**2,479** tCO2e
Total emissions per hectare		**1.08** tCO2e/ha
Removals (biogenic carbon) [8]		
Total hectares in scope for regulated carbon projects		**2,208** ha
of which hectares in scope for soil ACCU projects		**1,808** ha
of which hectares in scope for environmental plantings ACCU projects		**400** ha
Climate Risks & Opportunities		
Investment in low-carbon alternatives [9]	TCFD	**68,945** US$
Renewable power generation		**84,856** kWh

1 Total assets are based on total committed capital, as of December 2024. **2** Total spatial footprint includes all land area owned or leased by SLM Partners, as of December 2024. **3** All agricultural land is transitioning to regenerative agricultural practices but this metric excludes the cotton fields which are high input systems. **4** Land classifications are based on the IUCN Global Ecosystem Typology. We report on any land use change that has occurred since SLM ownership. **5** Water basin physical risk scores taken from WWF Water Risk Filter, weighted by land area. **6** The emissions were estimated using the Greenhouse Accounting Frameworks for Australian Primary Industries, developed by the Primary Industries Climate Challenges Centre at the University of Melbourne. The framework includes tools for individual industries, with the Sheep & Beef, Cropping & Cotton tools used for assessing the SLM assets. The tools align with the National Greenhouse Gas Inventory, used in Australia for reporting under the Paris Agreement, and are designed for predicting the greenhouse gasses emitted from the product at the farm gate. The tools include direct Scope 1 emissions, Scope 2 and Scope 3 pre-farm emissions. They are updated in line with the NGGI, which occurs on a quarterly basis. **7** We account for carbon emissions of all productive land in our portfolio, for properties that were owned for at least 9 months during the reporting year 2024. **8** SLM will establish several carbon projects under Australia's regulated carbon crediting framework. This will capture soil carbon removals and removals from environmental plantings. We will report on the results of these carbon projects once the carbon removals have been measured and verified by a third-party. **9** This captures investment in solar energy production used for irrigation.

Australia Mixed Farming

Biodiversity	Ref.	2024
Area with biodiversity monitoring in place [1]		**3,640** ha
Percent of pasture land with natural perennial grasses		**47%**
Extent of land conserved or restored	TNFD	**454** ha
voluntary		454 ha
required by regulation		0 ha
Land treated with synthetic pesticides [2]		**5,016** ha
Intensity of pesticides usage [2]	TNFD	**63** t
uncategorised		8.4 t
unlikely to present harm		3.0 t
slightly hazardous		38.1 t
moderately hazardous		11.9 t
highly hazardous		0.1 t
extremely hazardous		1.7 t
Land treated with synthetic fertilisers		**3,805** ha
% of animals that received antimicrobial treatment		**100%**

Soil	Ref.	2024
Cumulative number of soil samples taken since acquisition		**114**
Average SOM (%)		**0.96%**

1 This area is in transition to the Ecological Outcome Verification certification from the Savory Institute.
2 We are only reporting on pesticide and nitrogen usage that occurred while under the ownership of SLM Partners. Any pesticide or nitrogen applications that occurred on our properties in 2024 but prior to our acquisition are not reported. The pesticide classification by hazardous level is based on the WHO Recommended Classification of Pesticides guidance.

Thank you

Thank you for taking the time to explore SLM Partners' activities and impact results for 2024. If you have any questions, don't hesitate to reach us at **info@slmpartners.com.**

Appendix I

Key Metrics

SLM Firm Level

Land-Use	Ref.	2024
Total assets[1]	IRIS+	**$755** m
Total spatial footprint[2]	TNFD	**311,988** ha
Number of properties owned or leased		**156**
Extent of land that is sustainably managed	TNFD	**99%**
Total productive area	IRIS+	**309,328** ha
Land area under certification schemes	TNFD	**6,569** ha
Organic certification, USDA or EU		2,719 ha
Global G.A.P. certification		210 ha
EOV certification		3,640 ha
Land area in transition to certification	TNFD	**11,282** ha
organic certification, USDA or EU		9,349 ha
PEFC forest certification		1,936 ha
Extent of land use change[3]	TNFD	**80** ha
Semi-natural pasture (T7.5) converted to plantation (T7.3)		16 ha
Plantation (T7.3) converted to annual crops (T7.1)		16 ha
Annual crops (T7.1) converted to plantation (T7.3)		48 ha

Carbon	Ref.	2024
Corporate Emissions[4]		
Scope 1 & 2 emissions: fuel usage	TCFD	**31** tCO2e
Scope 3 emissions: air travel	TCFD	**59** tCO2e
Portfolio Emissions[5]		
Scope 1 & 2 emissions	TCFD	**27,883** tCO2e
Scope 3 emissions	TCFD	**9,999** tCO2e
Removals (Biogenic Carbon)[6]		
† Total removals from farms		**-91,557** tCO2e
† Total removals from forests		**-13,963** tCO2e
Total carbon credits sold		**37,012**
Standing timber stock		**478,089** tCO2e
Climate Risk & Opportunities		
Internal carbon price[7]	TCFD	**15-30** $/tCO2e
Investment in low carbon alternatives	TCFD	**194,356** US$

1 Total assets are based on total committed capital, as of December 2024. **2** Total spatial footprint includes all land area owned or leased by SLM Partners, as of December 2024. **3** Land classifications are based on the IUCN Global Ecosystem Typology. We report on any land use change that has occurred since SLM ownership. **4** Corporate emissions for 2024 are estimated in-house using 2022 DEFRA conversion factors for greenhouse gas reporting. Our scope 1 & 2 estimates capture direct fuel usage related to SLM business travel from rental cars and employee cars. We account for our air and train travel in scope 3 emissions. This estimate is based on 2024 travel information for each SLM employee. This year, we have not accounted for emissions linked to our co-working spaces. **5** We account for carbon emissions of all productive land in our portfolio, for properties that were owned for at least 9 months during the reporting year 2024. There are 306,412 hectares in scope for 2024 reporting year. Emissions calculations are based on a combination of site-specific, primary data, where available, informed estimates and appropriate tools, depending on the type of land system. We report emissions from directly operated assets as scope 1 and 2 emissions, and those from tenant-operated assets as scope 3 emissions. Scope 3 emissions include all emissions from tenant-operated assets (category 8), upstream scope 3 emissions from directly operated farms and carbon sequestration from harvested wood products. See strategy-specific 2024 results section for further guidance on each underlying carbon methodology. **6** Our removals estimates cover 112,086 hectares of land either directly operated or tenant-operated (leased). Carbon removal estimates for our forests account for above-ground biogenic carbon. Carbon removal estimates for our farms account for above- and below- ground biogenic carbon sequestration (namely trees and soils). **7** Internal carbon price is used in modeling as a potential upside revenue stream from carbon credit sales. **†** Higher level of uncertainty due to limited availability of on-farm ground-truthing measurements, specifically for soil carbon estimates.

Appendix I. Key Metrics

SLM Firm Level

Water	Ref.	2024
Agricultural area in High/Extremely High Water Stress [1]	TNFD	**5,950** ha
Average water basin physical risk [2]	TNFD	**5**

Biodiversity	Ref.	2024
Interface with Key Biodiversity Areas [3]	TNFD	
number of properties within KBAs		12
median distance to nearest KBA		32 km
Extent of land conserved or restored	TNFD	
area set-aside for biodiversity conservation		738 ha
area managed with a biodiversity restoration plan		103,453 ha
as a % of total spatial footprint		33%
Land area treated with synthetic pesticides [4]		**5,590** ha
Intensity of pesticides usage [4]	TNFD	**72** t

Soil	Ref.	2024
Cumulative number of soil samples take since acquisition		**520**
Number of soil samples taken in 2024 [5]		**133**

Society	Ref.	2024
Amount of food grown	IRIS+	
Cereals and oilseeds		37,446 t
Fruits and nuts		5,417 t
Pasture-raised beef and lamb (liveweight)		2,274 t
Cotton		2,572 bales
Wool		12,823 kg
Timber harvest	IRIS+	**18,996** m3
Jobs directly supported or financed	IRIS+	**43** FTE
Total number of partnerships with local farmers and forestry groups [6]		**32**
Total number of Regeneration Academy students hosted		**15**

1 High and Extremely High Water Stress areas are identified using the WRI Aqueduct Water Risk Atlas. **2** Water basin physical risk scores taken from WWF Water Risk Filter, weighted by land area. **3** Based on the IBAT Key Biodiversity Areas database and CERES. **4** We are only reporting on pesticide and nitrogen usage that occurred while under the ownership of SLM Partners. Any pesticide or nitrogen applications that occurred on our properties in 2024 but prior to our acquisition are not reported. The pesticide classification by hazardous level is based on the WHO Recommended Classification of Pesticides guidance. **5** SOM is the average Soil Organic Matter (%) measured across our farms for the soil analysis performed in 2024. **6** Partnerships include long-lease leases or long-term management agreements.

Appendix II. Understanding Dependencies, Risks, Impacts & Opportunities

Climate
Mitigation & Adaptation

SLM

Dependencies

Agriculture and forestry systems depend on rainfall, temperatures and seasonality, which all influence a crop and tree's suitability for a specific location.

The systems also depend on fossil-fuel inputs, namely synthetic fertilizers and fuel.

- Global Climate Regulation

Risks

Physical Risks: Agricultural and forestry systems are vulnerable to changes in climatic patterns from both chronic risks (change in climate suitability) and acute risks such as extreme events (droughts, floods, fire, hail, storms) which have negative impacts on crop and forest productivity.

Transition Risk: Agriculture and forestry (to a lesser extent) are subject to the risk of increasing prices and/or taxation on fossil-fuel based inputs and carbon emissions.

Impacts Conventional Systems

Today, agriculture is responsible for 24% of the world's man-made GHG emissions. About 11% of this is indirect, through deforestation and land use change in tropical regions. The other 13% is direct emissions from agricultural operations [18]. These come from fertiliser use, chemical use, diesel fuel in machinery, and methane emissions from animals and rice production.

- Greenhouse Gas Emissions
- Land Use Change
- Deforestation

Impacts Regenerative Systems

Regenerative agriculture can reduce the direct emissions associated with food production. Often the greatest impact can be achieved by reducing use of synthetic nitrogen fertilisers and instead supplying fertility through cover crops, compost, manure and other biological fertilisers. Farmers can also reduce nitrous oxide (N2O) - a potent greenhouse gas - emissions by introducing nitrogen-fixing cover crops, manure and compost.

Regenerative agriculture can also turn farms into net carbon sinks by implementing actions, such as reduced tillage, diversified crop rotation, cover cropping, sound grazing management, compost and manure application, and whole orchard recycling, which build healthy soils with greater carbon sequestration potential.

In forests, we can increase carbon stocks in soils and standing trees through better management practices, while also increasing the production of long-lived wood products (e.g. construction material) for longer carbon storage.

Opportunity

These regenerative practices strengthen resilience to climate change and offer a path towards climate adaptation. This resilience can offer more stable returns over time.

Turning these land systems into carbon sinks creates the opportunity for tapping into new revenue streams, namely carbon credits markets.

Appendix II. Understanding Dependencies, Risks, Impacts & Opportunities

Biodiversity

SLM

Dependencies

Agriculture and forestry systems are intricately linked to nature. They highly depend on ecosystem provisioning and regulating services. This includes the provision of food and fibre (i.e. crop growth and tree growth), pollination, nutrient cycling and natural pest control.

- Pollination
- Biological Control

Risks

Loss of biodiversity can affect the resilience of agricultural and forestry systems. Pollinators, natural predators of pests, healthy soil food webs, diversity of plants, insects, microbes and fungi are critical for maintaining productivity and resilience.

Climate change poses a risk of further accelerating biodiversity loss due to changing habitat conditions.

Impacts Conventional Systems

Studies estimate that agriculture is responsible for 85% of all biodiversity loss.[19] This is mostly driven by the conversion of natural habitat to agriculture and the intensification of agricultural systems. The heavy reliance on synthetic fertilizers and pesticides undermines biodiversity at the farm level and can lead to nutrient and chemical runoff into waterways and oceans. The reliance on monocultures and lack of landscape diversity removes suitable habitats. Wild mammals, birds, reptiles, insects, pollinators and aquatic life all suffer, as well as the vital macro and microorganisms that live below the ground.

- Land Use Change
- Soil Pollutants
- Habitat Loss

Impacts Regenerative Systems

Reversing biodiversity loss means not just protecting natural habitats but promoting biodiversity-friendly practices on agricultural land as well. Agricultural land covers 4.9 billion hectares, or 38% of the world's terrestrial area, so the impact can be huge. [19] Regenerative agriculture can play a role by reducing or eliminating pesticides, embracing more diverse crop rotations and land uses, avoiding bare ground and managing non-productive areas and can increase biodiversity on-farm and in surrounding areas.

Opportunity

Protecting and restoring biodiversity on-farm and in surrounding areas can help build farming and forestry systems that will be more resilient to the effects of climate change (such as storms, pest, disease and water stress).

Farms and forests that can demonstrate additional biodiversity improvements versus a baseline have the potential to tap into biodiversity credit markets or premium carbon credit markets with biodiversity as a co-benefit.

Appendix II. Understanding Dependencies, Risks, Impacts & Opportunities

Soils

SLM

Dependencies

Soils underpin the biogeochemical processes required to sustain the production of food, timber and fibre, as well as providing ecosystem services that are necessary for life on earth.

- Soil & Sediment Retention
- Soil Quality Regulation

Risks

Land degradation is one of the lesser-known risks that humanity faces. According to the UN Food and Agriculture Organisation (FAO) most of the world's soil resources are currently in fair, poor or very poor condition, with 33% of land moderately to highly degraded.[20] Half of the world's topsoil has been lost in the past 150 years.[21]

This poses severe risks to the productivity of the assets under our management and ultimately, food security.

In forestry, clearfell events leave bare soils prone to erosion and nutrient runoff, while also releasing carbon.

Impacts Conventional Systems

Destructive farming practices such as over-tilling, use of chemicals, uncontrolled grazing and lack of ground cover can result in soil erosion, compaction, acidification, salinisation and loss of soil microbiology, and therefore a rapid decline in soil health. A recent study estimates that just under a third of conventionally managed soils have lifespans of <200 years at current rates of soil loss.[22]

- Land degradation

Impacts Regenerative Systems

There is a growing body of research on the links between regenerative farming practices and soil health. Regenerative practices improve the physical structure, chemical properties and microbial life of soils, thereby preventing erosion, making more nutrients available to plants and abating soil-borne diseases.

In forestry, SLM Partners adopts Continuous Cover Forestry management, which avoids clearfelling and protects forest soils.

Opportunity

Building soil health supports the long-term productivity of farms and forests.

Healthy soils can also mitigate the impact of droughts and floods because of improved water infiltration and water holding capacity.

Appendix II. Understanding Dependencies, Risks, Impacts & Opportunities

Water

SLM

Dependencies

Both agriculture and forestry heavily depend on water through either rainfall or irrigation systems. Irrigation for agriculture now accounts for 70% of freshwater withdrawals worldwide.[23]

- Water supply

Risks

Changes in precipitation due to climate change affect the productivity of rainfall systems. While irrigated systems are more resilient to changes in climate, water availability is subject to changes in policies and regulations.

Farming and forestry systems that pollute waterways are coming under scrutiny and becoming increasingly taxed or regulated.

Impacts Conventional Systems

Conventional agriculture is responsible for soil erosion and nutrient run-off that has led to the eutrophication of water bodies, loss of freshwater biodiversity and creation of coastal dead zones. The excess loading of fertilisers and chemicals into rivers and groundwater also poses risks to drinking water quality, even with conventional water treatment.

- Water use
- Water pollutants

Impacts Regenerative Systems

Regenerative agriculture can help farmers grow 'more crop per drop'. It is estimated that each 1% increase in soil organic matter increases a soil's water holding capacity by 187,000 litres per hectare.[24]

The same practices that promote soil health and soil organic matter help to regulate the flow of water on the landscape by improving water infiltration and water retention in the soil profile, capturing more rainfall and making better use of irrigation.[25]

Opportunity

A diligent and efficient water management is crucial to ensure long-term economic sustainability.

In some geographies, water markets can present an opportunity for landowners with water rights.

Appendix II. Understanding Dependencies, Risks, Impacts & Opportunities

Society

Dependencies	Impacts Conventional Systems	SLM Impacts Regenerative Systems	SLM Opportunity
Agriculture and forestry systems depend on labour for on-going management operations. Finding skilled local labour can be a challenge.	In conventional models, farmers are typically squeezed between high input costs and volatile commodity prices, leading to financial and mental stress. The manipulation of highly toxic chemicals also causes negative health impacts.	A goal of regenerative agriculture is to return more economic power to the farmer, not least so that future generations will see farming as an attractive career and life choice. By seeking to deliver economic returns, alongside environmental ones, the farms and forests can support broader landscape environmental and community objectives. Through our regenerative land systems, we seek to grow high quality food and materials.	We believe that regenerative systems can be more profitable and deliver superior risk-adjusted financial returns to farmers, foresters and investors who support them. We call this the "Regenerative Edge". These superior returns will come from one of more of the following levers: higher yields, lower costs, higher output prices, new environmental payments or more stable operating results.
Risks Key social risks involved in agriculture and forestry investments include lack of skilled labour, loss of social license to operate, health & safety issues from using chemicals and machinery and risk of illegal migrant workers.			

Appendix III

TCFD/TNFD Mapping

TCFD/TNFD Framework

	Description	Reference
Governance	Disclose the organisation's governance of climate/nature-related dependencies, impacts, risks and opportunities	
	A. Describe the board's oversight of climate/nature-related dependencies, impacts, risks and opportunities	G (a)
	B. Describe management's role in assessing and managing climate/nature-related dependencies, impacts, risks and opportunities	G (b)
	C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	G (c)
Strategy	Disclose the effects of climate and nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.	
	A. Describe the climate/nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	S (a)
	B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	S (b)
	C. Describe the resilience of the organisation's strategy to climate/nature-related risks and opportunities taking into consideration different scenarios.	S (c)
	D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible upstream and downstream value chain(s) that meet the criteria for priority locations.	S (d)

SLM Impact Report Map to TCFD/TNFD Framework

SLM Impact Report	TCFD / TCFD Structure Reference
Introduction - Impact Goals	M (c)
Introduction - Key Impacts	M (a) (b) (c)
About SLM Partners - Our Investment Philosophy	S (a) (b)
About SLM Partners - Our History	
About SLM Partners - Our Strategies	S (d)
About SLM Partners - Our Governance	G (a) (b)
Strategy - What Regeneration Means for Us	R (b) ; S(c)
Strategy - *Our Five Impact Themes*	S (a) ; R (b)
Engagement - Our Key Stakeholders	
Engagement - Our Engagement Initiatives	G (c)
Impact & Risk Management - Our Investment Approach	S (c) ; R (a) (b) (c)
Impact & Risk Management - Measure, Report and Verify	G (c) ; R (b) (c)

Appendix III. TCFD/TNFD Mapping

TCFD/TNFD Framework (continued)

	Description	Reference
Risk and Impact Mgmt	Describe the process used by the organisation to identify, assess	
	A. (i) Describe the organisation's processes for identifying, assessing and prioritising climate/nature-related dependencies, impacts, risks and opportunities in its direct operations	R (a, i)
	A. (ii) Describe the organisation's processes for identifying, assessing and prioritising climate/nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	R (a, ii)
	B. Describe the organisation's processes for managing climate/nature-related dependencies, impacts, risks and opportunities	R (b)
	C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management process.	R (c)
Metrics & Targets	Disclose the metrics and targets used to assess and manage material climate/nature-related dependencies, impacts, risks and opportunities.	
	A. Disclose the metrics used by the organisation to assess and manage material climate/nature-related risks and opportunities in line with its strategy and risk management process.	M (a)
	B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	M (b)
	C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	M (c)

SLM Impact Report Map to TCFD/TNFD Framework

SLM Impact Report	TCFD / TCFD Structure Reference
2024 Results - Organic Annual Crops	M (a) (b) (c)
2024 Results - Regenerative Permanent Crops	M (a) (b) (c)
2024 Results - Holistic Planned Grazing	M (a) (b) (c)
2024 Results - Mixed Farming	M (a) (b) (c)
2024 Results - Continuous Cover forestry	M (a) (b) (c)
Appendix I - Key Metrics	M (a) (b) (c)
Appendix II - Understanding Dependencies, Risks, Impacts and Opportunities	S (a) (b) (c) ; R (a)

Footnotes

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