

Sustainability Report

2024 / 2025

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Foreword

WELCOME TO STAFFORD'S SUSTAINABILITY REPORT FOR 2024/2025

In 2025 we celebrate Stafford's 25th anniversary. This milestone brings with it a chance to reflect on the contribution Stafford makes to our clients, to our people and to society more broadly. Over the last 25 years Stafford has been on a journey, from the early days of establishing the business and ensuring Stafford itself would be sustained year on year as a going concern, through to the contributions we are making today to a growing low-carbon, sustainable economy through a global investment program with USD 8.5bn of assets under management and advice¹.

We earn our right to participate by delivering financial returns that meet our clients' expectations. Over the years we have been able to build meaningful long-term partnerships with our clients that have enabled us to support their financial goals whilst contributing to society in the way we believe long-term capital should. We have given our clients access to timberland assets that sequester carbon from the atmosphere at scale and which we believe no other investment can achieve. We have invested in fundamental infrastructure that is essential to the way our communities operate. We have supported companies that have raised the standard of living through their innovation and entrepreneurialism. It has been a privilege to serve our clients in this way.

But we are 25 years in, and this work has never been more important.

Changes in political leadership in 2024, most notably in the US, have led to a disappointing backwards step in sustainability-focused policy worldwide. As evidence mounts that our climate is becoming less habitable, leadership to combat these changes appears to be waning². The dismantling of climate-oriented policy in the US has added to support for similar change in other countries.

Post pandemic national debt has led to budget-tightening policies, which have proved unpopular. As the costs associated with addressing the consequences of climate change continue to scale³, the option of paying far more later is being chosen ahead of paying less today⁴. Some consider that we cannot afford a progressive climate policy.

This is short-term thinking. Ask those directly affected by climate change today. There are cohorts of very unfortunate people who live in climate-affected regions who better understand the cost of delaying climate action. Further delay will lead to costs that will have an ongoing impact on life well beyond any compromises required for today's investment⁵.

There are reasons for optimism. We are seeing countries stepping up. Countries that not only see the importance of climate action, but also the opportunity in positioning their economies to take climate opportunities as well as mitigate the risks.

We play our part in encouraging policy that supports long-term sustainable investing, mainly through organisations that bring a collective effort to achieve these outcomes, such as PRI, NZAM, iCI and Invest Europe. This year we participated in events run by the IIGCC, IGCC and PRI and at events such as the PEI Responsible Investment Forum and Environmental Finance EMEA.

“ We have given our clients access to timberland assets that sequester carbon from the atmosphere at scale and which we believe no other investment can achieve. We have invested in fundamental infrastructure that is essential to the way our communities operate. We have supported companies that have raised the standard of living through their innovation and entrepreneurialism. It has been a privilege to serve our clients in this way. ”

1. As at 30 June 2025

2. IIGCC – Weakening the EU's sustainability rules risks damaging competitiveness and growth warn companies and investors

3. Financial Times – Donald Trump wiped out dozens of Joe Biden's climate initiatives in first-week blitz

4. Climate Policy Initiative – The Cost of Inaction

5. UN – Tackling climate and sustainable development crises together could cut costs by 40 per cent, new report shows



Image taken at The Conduit, a local club in Covent Garden for people committed to creating a sustainable future.

As you will read in this report, our actions go beyond policy to the very many details that collectively bring the impact of these policies to the real world. Examples include:

- We reviewed and updated our net zero targets across our business, leveraging IIGCC's NZIF 2.0 guidance and the Private Markets Decarbonisation Roadmap (PMDR), developing an internal methodology to assess climate solutions.
- We partnered with an industry leading ESG data platform to enhance our data collection and manager benchmarking capabilities.
- We conducted ESG engagement with our infrastructure managers on net zero targets, physical climate risk, biodiversity and ESG data.
- We contributed to iCI's Voluntary Carbon Markets guidance highlighting our carbon fund as a use case for investing in carbon credits generating forestry funds.

We will take a moment to celebrate our 25th anniversary, the progress that has been made and how we are undertaking all that you will read about in this report to contribute through our responsible and sustainable investment programs. It is important to stop and mark these occasions. But given the need, given the importance of our work, we will be doing all that we can to make a greater difference to our clients, our people and to society over the next 25 years.

Angus Whiteley
CHIEF EXECUTIVE OFFICER

Marta Jankovic
HEAD OF SUSTAINABILITY

Executive Summary

In 2024/2025, we reflect on our commitment to advancing sustainability as a business, as an employer, and as an investment manager for our global client base. This is also a milestone year for the firm as we celebrate our 25th anniversary.

ADVANCING

OUR SUSTAINABLE INVESTMENTS AND MANAGER ENGAGEMENT

We are pleased with the considerable progress that has been made over the past year and are proud of our achievements. We continue to evolve our investment strategies to provide client solutions that deliver on financial and sustainability objectives supporting the global path to net zero.

We have actively worked on our stewardship as both a business and employer; become increasingly vocal on policy and manager engagement and have worked to deepen our partnerships with critical bodies to help shape the future of our industry.

- We remain committed to achieving net zero and has **updated its 2030 interim targets** as part of its NZAM commitment and following the release of new guidance from leading industry bodies.
- We completed the 2024 PRI Report and achieved 5/5 stars across all four assessed modules.
- We advanced our sustainability data collection process through leveraging the ESG Data Convergence Initiative (EDCI) template and partnering with an ESG data platform. These initiatives enhanced Stafford's sustainability data collection and manager monitoring, as well as contributed to the industry-level streamlining of ESG data collection.
- We continued to assess our annual financed emissions and have improved the accuracy of our 2024 calculations by collecting and utilising more directly reported greenhouse gas emissions (GHG) data. We gathered this data through our annual sustainability outreach to managers.
- **We developed an internal scoring methodology to:**
 1. Benchmark our managers across multiple categories reflecting their performance on integrating sustainability factors throughout the investment cycle.
 2. Identify the managers to conduct sustainability engagements with to discuss portfolio-level sustainability data, approach to climate transition, portfolio resilience and biodiversity.

Our Timberland, Infrastructure and Private Equity strategies continue to contribute to real-world positive impacts that provide both sustainability benefits and commercial returns for our clients.

Some of the highlights are:

- **Stafford's Timberland team** began deployment of its SFDR Article 9 Carbon Offset Opportunity Strategy and introduced enhanced sustainability monitoring at the fund's invested assets including eDNA testing for biodiversity monitoring, water quality tests for riparian zone ecosystem health screening, and waste generated from forest operations. Stafford also estimated that gross sequestration of its timberland portfolio was 17 million tCO₂e of which part was harvested to produce sustainable wood products.
- **The Infrastructure team** continued to play a significant role in financing transition-aligned investments. As part of Stafford's 2030 interim net zero targets review, the team adopted a more ambitious target, aiming for 50% of AUM to finance the transition by 2030.
- **Stafford's Private Equity team** continued to focus on sustainable value creation and portfolio decarbonisation, including by pursuing our Private Equity Decarbonisation Program designed to meet the financial and climate goals of our clients. In 2024, most private equity managers who reported on the PRI showed higher assessment scores on both the 'Policy, Governance, and Strategy' and the 'Private Equity' modules compared to the previous year, indicating positive changes in how ESG factors are integrated into our managers' investment processes.

EVOLVING ESG BEST PRACTICES AS A BUSINESS AND EMPLOYER


During the past year, we continued to strengthen our operational foundations with the aim to deliver on our strategic goals and culture of inclusion. We were pleased to observe meaningful progress on previous initiatives.

- Building on the strong scores from the most recent employee engagement survey in 2024, we conducted a shorter Pulse Survey designed to gather quick and valuable feedback ahead of us launching our main engagement survey.
- 54% of new hires identify as female and 23% of employees come from diverse ethnic backgrounds. Stafford employees now represent 20 nationalities and 18 languages.
- We continued to look for ways to educate ourselves on diversity in all forms, and we marked the occasion to celebrate diversity during PRIDE month.
- We were pleased to observe an increasing number of employees taking leave through the Global Volunteering Policy to make a positive impact to their local communities and support sustainability initiatives.

COLLABORATING WITH INDUSTRY BODIES TO LEAD BY EXAMPLE

- Stafford has been a part of the initiative Climat International (ICI) working group that co-authored the Voluntary Carbon Markets Guidance in partnership with Anthesis Group.
- We strengthened our collaboration with the IIGCC, contributing a case study in support of IIGCC's Physical Climate Risk Appraisal Methodology (PCRAM) 2.0, as well as showcasing Stafford's PE Decarbonisation Program approach in Amsterdam as part of IIGCC's European roadshow in October 2024.
- Stafford signed the 2024 Global Investor Statement to Governments on the Climate Crisis, led by the IIGCC, the PRI and other industry associations.
- Stafford also participated in the consultation process of NZAM's review of the initiative and reiterated its support for asset managers to deliver on their net zero targets.

As we mark 25 years of progress, Stafford remains dedicated to delivering sustainable returns and making a positive difference for our clients, our people, and society. We look forward to building on these achievements and driving greater impact in the years ahead.

A photograph of three business professionals in a rooftop garden setting. On the left, a woman with long brown hair, wearing a light-colored blazer, is seen in profile, looking towards the center. In the center, a man with dark hair, wearing a dark blue blazer over a light blue shirt, is smiling and looking towards the man on the right. On the right, a man with short grey hair, wearing a dark suit and a blue patterned tie, is smiling and looking towards the man in the center. The background features a stone wall on the left, a large white patio umbrella, and various plants and trees. In the distance, a city skyline with buildings and a bridge is visible under a blue sky with some clouds. The overall atmosphere is professional and pleasant.

Stafford as a Firm

2025 marks our 25th anniversary as an investment management firm - over this time, we have been leveraging our technical expertise in alternative investments to unlock complex opportunities for our clients.

ABOUT STAFFORD

2025 marks our 25th anniversary as an investment management firm - over this time, we have been leveraging our technical expertise in alternative investments to unlock complex opportunities for our clients.

During 2024 our global team increased to 85 dedicated professionals, managing or advising over USD 8.5 billion⁶ in assets across real assets and private equity.

We are highly committed to these specialist markets and to our partnerships with likeminded clients, looking for growth with greater impact. Through growing and allocating capital towards the pursuit of net zero, we want to be able to drive meaningful change and offer clients additional benefits to their investments.

Our clients' portfolios focus on delivering long-term financial returns and can make a positive difference to the environment, and create jobs that can enable local communities to thrive.

At Stafford, we would like to assure our clients of our expertise to unlock the complex, our ambition to align and grow beside them, and our commitment to responsible investment

We are dedicated to better insight, investments and outcomes; invested in making a difference for our clients, our people and society.

6. As at 30 June 2025

USD 2.2bn⁺
PRIVATE MARKETS



USD 2.2bn⁺
INFRASTRUCTURE

USD 4.1bn⁺
TIMBERLAND

2000

YEAR
FOUNDED

\$8.5bn⁺

ASSETS UNDER
MANAGEMENT &
ADVICE ON BEHALF
OF 150 CLIENTS

85

PROFESSIONALS

6

OFFICES
GLOBALLY

COMMITTED TO

Net Zero

ALIGNMENT BY 2050
OR SOONER

2010

EARLY SIGNATORY
OF PRI

^{*}Assets Under Management & Advice as of 30 June 2025.



OUR PURPOSE

Working to create confidence in a *better future* for all stakeholders.

OUR MISSION

- To deliver sustainable returns from alternative investments that meet the needs of our clients over the long term.
- To foster a working environment that is honest and open. One that allows talented people to grow and positively influence the world around them.
- To pursue excellence through ambition, creativity, and expertise.
- To be responsible and sustainable with regards to our communities and the environment.

OUR VALUES

Our purpose and mission are underpinned by our core values which we believe are fundamental to creating confidence in a better future and delivering strong, sustainable returns that meet the needs of our stakeholders. These include:

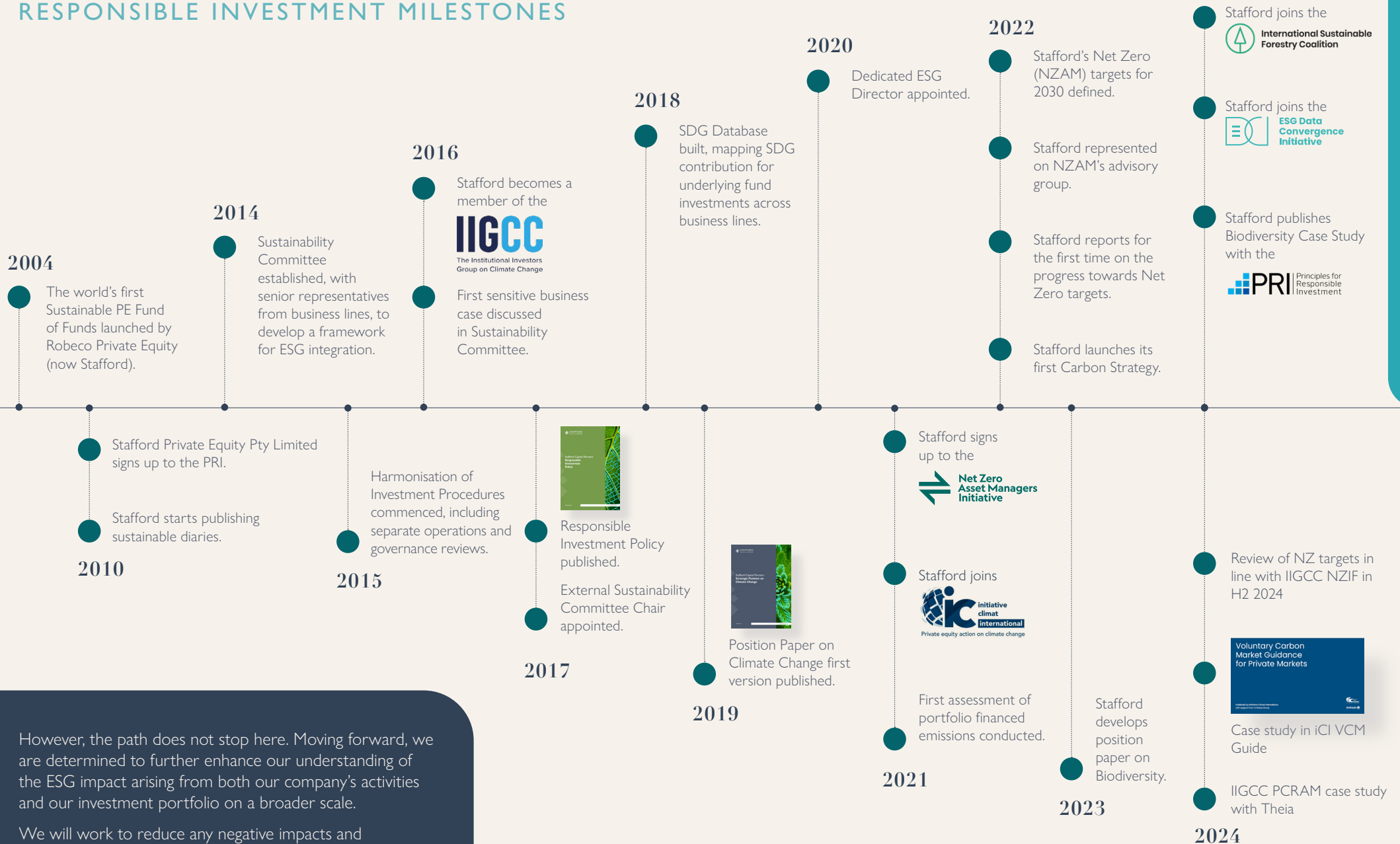
- Integrity
- Ambition
- Creativity
- Expertise



Our Responsible Investment Milestones

We take great pride in our ongoing responsible investment journey, which has been guided by our Responsible Investment Policy.

OUR RESPONSIBLE INVESTMENT MILESTONES



However, the path does not stop here. Moving forward, we are determined to further enhance our understanding of the ESG impact arising from both our company's activities and our investment portfolio on a broader scale.

We will work to reduce any negative impacts and proactively look to meet our investment returns while also contributing positively to our environment.

An aerial photograph of a wind farm. Several large white wind turbines with three blades each are scattered across a landscape of rolling hills. The hills are covered in a mix of green grass and brown, tilled soil. In the foreground, a line of bare trees runs along a path. The sky is a clear, deep blue. The overall scene is bright and sunny.

Our Responsible Investment Framework

*At Stafford, we firmly believe that
Environmental, Social and Governance factors
are intrinsic to the investment environment in
which we operate.*

We recognise our responsibility as an investor to contribute to a more sustainable financial system by taking a long-term, responsible approach to investing across all our investment strategies.

As active investors, we play an important role in ensuring our investments uphold commonly accepted standards of environmental protection, human rights, good governance and other ESG topics in a way that will enhance and underpin the financial returns that our investors expect of us and add long term value to the societies of which we are a part. Our responsible investment framework consists of the following building blocks:

POLICY & GOVERNANCE →

ESG INTEGRATION →

REPORTING →

INDUSTRY COLLABORATION →

SUSTAINABLE DEVELOPMENT →

CLIMATE CHANGE & NZAM →

POLICY & GOVERNANCE

Stafford Capital Partners' Responsible Investment Policy (RI Policy) summarises our core investment beliefs, including the commitment to the Principles for Responsible Investment (PRI), as well as a corresponding governance structure to support this commitment.



DOWNLOAD →

It covers an implementation strategy to foster the integration of environmental, social, and governance issues into the investment process and across the organisation's activities. It also describes how Stafford discloses and collaborates with external parties in order to help share our knowledge with the industry and the broader stakeholder base. Additionally, it highlights how Stafford aligns its people and the organisation with a more responsible and sustainable financial system.

Stafford's Sustainability Committee is entrusted with overseeing the implementation of our RI Policy and has a direct link to both the Executive Management Board and the Investment Committee of each business line.

The Sustainability Committee is comprised of seven members who represent Stafford's core teams.

The Committee members meet formally at least every quarter, with regular communication in between on relevant ESG topics. The Executive Management Board is ultimately responsible for oversight and implementation of Stafford's RI Policy.

Our Sustainability team partners with investment teams and equips them with ESG data, guidance and training, as well as initiates and coordinates ESG and sustainability related actions across Stafford's business. Each investment team has a representative on the Sustainability Committee to ensure full integration of ESG and sustainability related topics in the investment process.





ESG INTEGRATION IN THE INVESTMENT PROCESS

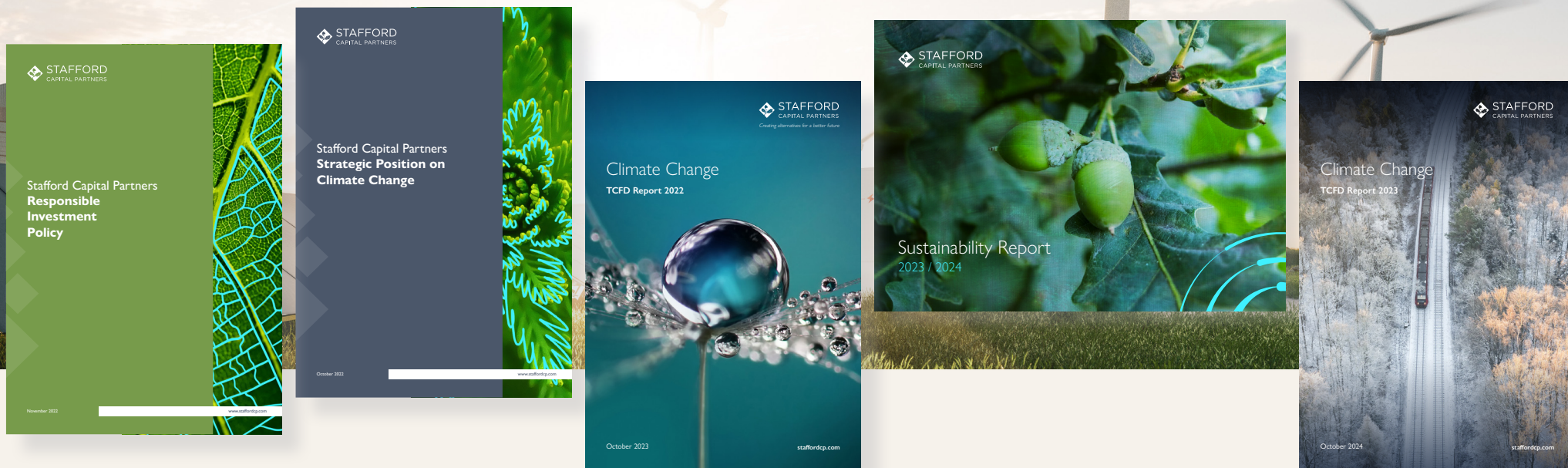
Stafford believes that good ESG management leads to enhanced long-term financial returns, better investment decisions and a closer alignment of objectives among investors, stakeholders, and society at large. Therefore, we integrate ESG considerations in all stages of our investment process, using the six principles of the PRI framework as guidance.⁷

Analysis of a manager's attitude and approach towards ESG integration forms an integral part of the due diligence process with respect to fund investments and co-investments. In addition, Stafford's investment teams assess ESG risks and opportunities facing each asset, ESG related incidents, contribution to the UN's Sustainable Development Goals (SDGs), alignment to Stafford's RI Policy and, where applicable, specific fund objectives during the due diligence process. We look to improve any negative sustainability risks and impact that may exist or could develop post-investment by working in conjunction with our external fund managers.

Through ongoing monitoring of ESG performance and a structured engagement effort, Stafford promotes ESG integration among external managers. The annual portfolio monitoring provides valuable insights for engagement with managers on their ESG approach and implementation in the investment process. We also leverage quantitative ESG data collected annually in our engagement efforts. Engagement might also occur in response to ESG incidents in underlying portfolio companies which are screened for on an ongoing basis using the RepRisk tool.



7. More on the six principles can be found here:
<https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment>



REPORTING

Stafford reports annually to the PRI, including on its NZAM targets. We also publish an annual Sustainability Report which summarises ESG activities across the business, as well as publishing an annual TCFD Report.

ESG content is included in quarterly reports and bespoke reporting provided to clients upon their request. Our sustainability publications are accessible by visiting our website [here](#).

INDUSTRY ENGAGEMENT & THOUGHT LEADERSHIP

Stafford actively participates in the work of industry bodies that promote ESG integration and sustainability more broadly across the industry. We are a supporter of a number of private markets sustainability initiatives and use our voice to call for greater focus on ESG topics in our industry, as well as to contribute to the development of industry guidance and research projects.



PARTICIPATING IN THE NZAM REVIEW INITIATIVE

Against the backdrop of challenges to sustainability related commitments facing investors in the US, we signed the 2024 Global Investor Statement to Governments on the Climate Crisis, led by the IIGCC, the PRI and other industry associations. Furthermore, over the course of this year the NZAM Initiative underwent a review process with the aim to help shape the future direction of the initiative, ensuring it remains fit for purpose five years on from its inception. It offered signatories the opportunity to provide organisational-level feedback on proposed updates to its Commitment Statement and related activities.

As a signatory, Stafford was included in NZAM's overall consultation process, via virtual feedback forums and through our participation in a formal survey, giving us an opportunity to provide individual organisational feedback on the consultation proposals. NZAM's signatory consultation focused on three key areas:

- Commitment Statement
- Target-setting & Reporting Processes
- Participation & Structure

The outcome of the consultation and a refreshed Commitment Statement are expected to be released later in the year. Stafford believes that it remains key for asset managers to focus on delivering stable long-term returns for clients and act in line with their fiduciary duty, which we believe is supported by proactively managing climate risk, including by setting climate targets. Managers can drive credible portfolio decarbonisation by applying industry guidance leveraged by institutional investors, such as the IIGCC's Net Zero Investment Framework (NZIF) approach.

Signatory of:





DEEPENING COLLABORATION WITH THE IIGCC

In the course of the year, we strengthened our collaboration with the IIGCC, contributing a case study in support of IIGCC's Physical Climate Risk Appraisal Methodology (PCRAM) 2.0 consultation, as well as showcasing Stafford's PE Decarbonisation Program approach in Amsterdam as part of IIGCC's European roadshow in October 2024. We were pleased to present the PCRAM case study, together with our infrastructure platform investment Theia, at the IIGCC's Summit in June 2025 during London Climate Action Week.

Further, our CEO Angus Whiteley joined a panel at the Investor Group on Climate Change (IGCC) 2024 Summit in Melbourne, Australia to discuss what climate leadership looks like and how institutional investors and investment managers can guide their organisations to make decisions needed for successful transition finance. The IGCC is a network of Australian and New Zealand institutional investors that are working to understand and respond to the risks and opportunities of climate change. The group closely collaborates with the IIGCC including on supporting the NZAM Initiative.



ESG Data
Convergence
Initiative

LEVERAGING INSIGHTS FROM THE ESG DATA CONVERGENCE INITIATIVE

Stafford signed up to the ESG Data Convergence Initiative (EDCI) in 2024. The EDCI promotes a core, standardized set of ESG metrics and is a mechanism for comparative reporting that allows GPs and portfolio companies to benchmark their current position and generate progress toward ESG improvements, while also enabling greater transparency and more comparable portfolio information for LPs. Since becoming a member of the EDCI, Stafford has contributed to streamlining the collection and reporting of ESG data by leveraging EDCI's ESG data template in our annual data collection cycles across private equity and infrastructure. The template has been used for the last two consecutive years, which has allowed for more consistent reporting and facilitated benchmarking of ESG performance among external investment managers.

In addition, in 2024 we partnered with a private markets focused ESG data platform to further facilitate efficient ESG data collection from our portfolio and support our manager engagement efforts. Thanks to the ESG platform's comprehensive multi-level data collection capabilities, we were able to improve our oversight of ESG information at both the fund and portfolio levels.

Signatory of:





RECOGNISED FOR CONTRIBUTING TO ICI'S VOLUNTARY CARBON MARKETS GUIDANCE

We are pleased to have been a part of the initiative Climat International (iCI) working group that co-authored the Voluntary Carbon Markets Guidance in partnership with Anthesis Group, released in January 2025. The publication provides foundational guidance to private markets on:

- Understanding Voluntary Carbon Markets (VCM)
- Adopting a responsible and informed approach to carbon credit procurement
- Exploring different investment pathways within the VCM, including natural capital

Our Carbon Offset Opportunity Strategy was featured as a case study, providing an overview of what a timberland carbon fund investment strategy may look like for private market investors.



International Sustainable Forestry Coalition

CONTRIBUTING TO THE ISFC

Over the past year Stafford was actively involved in a number of the ISFC's initiatives, as part of our participation in the ISFC Member Policy and Strategy Committee. The ISFC was launched in 2023 to support the role of sustainable forest management in the climate, nature, social justice and circular bioeconomy transition. Its members are leading forestry companies, stewarding and managing more than 31 million hectares (76 million acres) of forests for production and conservation in 39 countries on all six forest growing continents.

Signatory of:



OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

Stafford has a 20 year+ track record of committing capital into sustainable investments and projects. These investments serve varying societal and environmental objectives, from mandates looking to increase investments in certain locations or communities, to mandates and funds seeking to support climate solutions.

We started investing in the timberland sector in 2003, which has gained recognition for its sustainability characteristics, most significantly through its carbon sequestration capabilities. Through our sustainability focused private equity programs we have raised more than USD 1.5 billion for sustainability-themed investments since 2004. Our track record includes primary and secondary commitments to more than 75 different private equity funds active in the climate solutions and sustainability space, as well as dozens of co-investments into sustainability-oriented companies alongside our investee fund managers. We are currently expanding investments focused on decarbonisation.

Embracing the Sustainable Development Goals (SDGs), Stafford sees the value of utilising a unified framework for measuring and reporting across the varied investment programs we manage and for this framework to be meaningful as SDGs are well understood by our investors, fund managers, underlying asset managers, and other stakeholders.

In this regard, we are committed to integrating the SDG analysis into our investment processes and portfolios across all strategies. Specifically, we perform SDG analysis in our due diligence and post-investment monitoring, where we assess each portfolio company or asset against its relevant SDG targets. In the assessment process, to determine how best to classify an asset, the deal teams review underlying portfolio company reports, policies, sustainability initiatives, news and press releases, alongside sector analysis and discussions with the GPs or company management.



STAFFORD

SDG IMPACT REPORTING FRAMEWORK (SIRF)

In 2018 Stafford developed an assessment framework to evaluate how a potential investment contributes to the United Nations' Sustainable Development Goals (SDGs). The framework enables us to assess the alignment of portfolios across investment strategies with the 17 SDGs and their corresponding 169 targets.

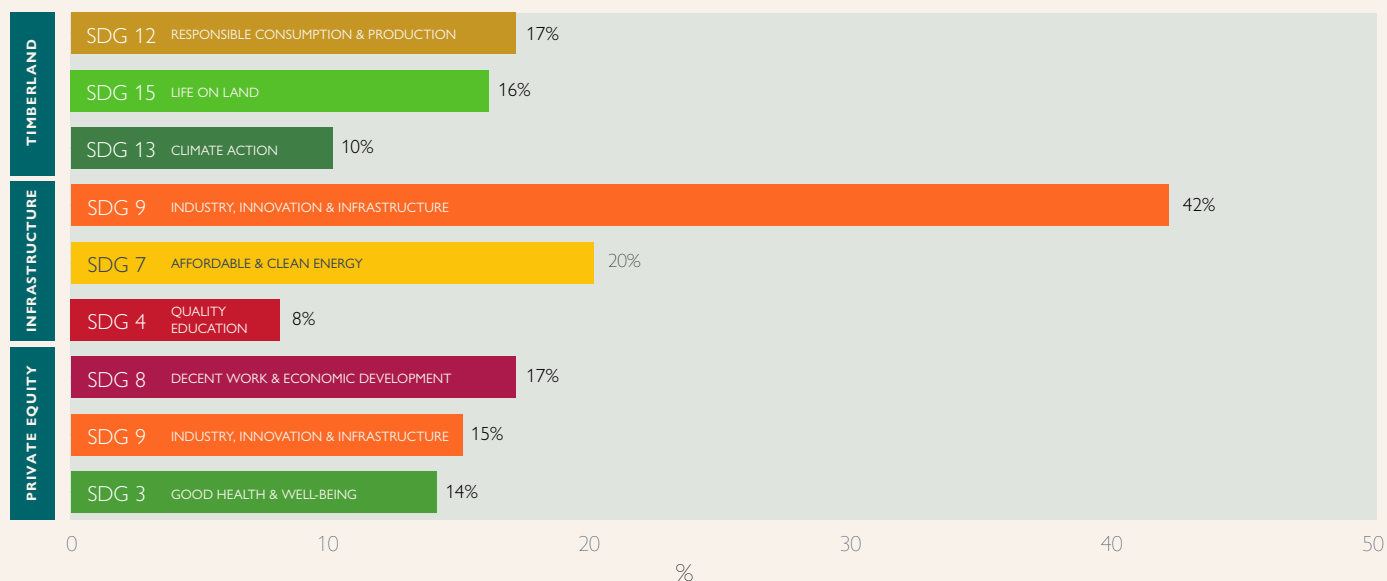
Each investee company or asset is assigned one or more SDG targets. The alignment can be assessed as minimal, moderate or significant and categorised based on type of impact (business model, policy & initiatives or operations).

Overall, SDG contribution of the portfolio remained similar at the end of 2024, when compared to the end of 2023. Stafford's investment teams continued to manage a variety of client mandates and fund products, that made a meaningful contribution to the SDGs as outlined to the right:

- Our **Timberland** portfolio principally contributes to targets related to Responsible Consumption and Production (SDG 12), with 17% of assets contributing to this goal, followed by Life on Land (SDG 15), with 16%, and Climate Action (SDG 13), with 10%.
- Within the **Infrastructure** portfolio, around 42% of assets contribute to targets associated with Industry, Innovation and Infrastructure (SDG 9), while 20% contribute to Affordable and Clean Energy (SDG 7) and 8% to Quality Education (SDG 4).
- **Private Equity** portfolios contribute to Decent Work and Economic Growth (SDG 8), with 17% of companies aligned with this goal, 15% with Industry, Innovation and Infrastructure (SDG 9) and 14% with Good Health and Well Being (SDG 3).

Sustainable Development Goals (SDGs) to which Stafford mostly contributed at the end of 2024, by strategy.

SUSTAINABLE DEVELOPMENT GOALS (SDGs) TO WHICH STAFFORD MOSTLY CONTRIBUTED AT THE END OF 2024, BY STRATEGY



CLIMATE CHANGE & NZAM COMMITMENT



Climate change is a global emergency and a major, systemic risk that could destabilise global economies and investment markets to a significant degree. As a long-term investor in private markets across a range of asset classes, Stafford supports the goals of the Paris Agreement and together with other institutional investors we share the responsibility to manage and protect the assets of end-beneficiaries whose money we manage, including from the effects of climate change.

Climate change presents both investment risks and new opportunities that need to be proactively managed as part of our pre-investment due diligence, the post-investment oversight process, as well as in the reporting to clients and stakeholders. As an investor in global forestry and climate solutions in infrastructure and private markets, Stafford committed early to the Net Zero Asset Managers (NZAM) Initiative in 2021 and will continue providing solutions that not only are able to deliver financial returns but help achieve the transition to a net zero economy.

In the course of the year, and as part of our net zero commitment, we:

- Reviewed our 2030 interim net zero targets and decided to update them leveraging the new guidance in IIGCC's Net Zero Investment Framework (NZIF) and the Private Markets Decarbonisation Roadmap (PMDR)
- In addition to monitoring our financed emissions via an annual assessment for 2024, we also collected and tracked more accurate GHG emissions data directly from our portfolio. As a result, we improved the accuracy of our financed emissions calculations and achieved a better PCAF data quality score vs 2023.

Our disclosures on governance, strategy, risk management, and metrics & targets associated with climate-related risks and opportunities continue to follow the Task Force on Climate-related Financial Disclosures (TCFD) recommendations⁸ and cover both our business operations and our investments. Our 2024 TCFD Report can be accessed [here](#).

⁸ The TCFD recommendations have been fully incorporated in the International Sustainability Standards Board (ISSB) Standards and are now part of the International Financial Reporting Standards (IFRS) S2 Climate-Related Disclosures

STAFFORD'S

2030 INTERIM NET ZERO TARGET REVIEW

PREVIOUS TARGETS NET ZERO 2030 INTERIM TARGET	UPDATED TARGETS NET ZERO 2030 INTERIM TARGET
TIMBERLAND	
Financing Transition Target Increasing the % of timberland AUM that is optimised for carbon capture and creating carbon offsets to 33%.	Financing Transition Target 33% of total timber AUM is optimised for carbon capture and creating carbon offsets.
Engagement Threshold Target Engage with timberland managers who need to enhance their assessment of the carbon costs of harvesting and delivering wood for domestic and export processors, and managers of our timber processing investments (which represent the main timberland investments with a net positive CO ₂ emission profile).	Engagement Threshold Target Aim for portfolio-wide engagement with timber managers on portfolio decarbonisation practices and net zero commitments. Prioritise engagements with managers of our timber processing investments (which represent the main timberland investments with a net positive CO ₂ emission profile).
INFRASTRUCTURE	
Financing Transition Target 40% of total Infrastructure AUM in sectors that actively contribute to reducing greenhouse gas emissions, such as renewable energy, energy efficiency, green hydrogen, among others.	Financing Transition Target 50% Infrastructure AUM in financing transition through investments that: <ol style="list-style-type: none"> 1. Provide climate solutions (such as renewable energy, energy efficiency, green hydrogen, among others), and/or 2. Are committed to or are being managed in alignment with net zero.
Engagement Threshold Target Engagement with managers of top ten highest- emitting infrastructure assets (or those responsible for 30% of emission in infrastructure portfolio) on setting up decarbonisation plans.	Engagement Threshold Target Aim for portfolio-wide engagement with infrastructure managers on portfolio decarbonisation practices and net zero commitments. Prioritise engagements with managers of the highest emitting portfolio assets.
PRIVATE EQUITY	
Financing Transition Target 40% of total private equity AUM in financing transition.	Financing Transition Target 40% of total private equity AUM in financing transition through investments that: <ol style="list-style-type: none"> 1. Provide climate solutions (e.g. decarbonisation enablers as defined in PMDR), and/or 2. Are committed to or are being managed in alignment with net zero.
Engagement Threshold Target Engagement with managers of the top ten highest emitting private equity funds (according to their contribution to estimated Scope 1 and Scope 2 emissions in our private equity portfolios) on the steps that they are taking to reduce carbon emissions of their portfolio companies.	Engagement Threshold Target Aim for portfolio-wide engagement with private equity managers on portfolio decarbonisation practices and net zero commitments. Prioritise engagements with managers of the highest emitting portfolio assets.

Table 1: Stafford's 2030 interim net zero targets' review

An aerial photograph of a coastline. The water is a vibrant turquoise color, contrasting with the dark, jagged rocks of the shore. White surf is visible where the waves are breaking against the rocks. The overall scene is serene and natural.

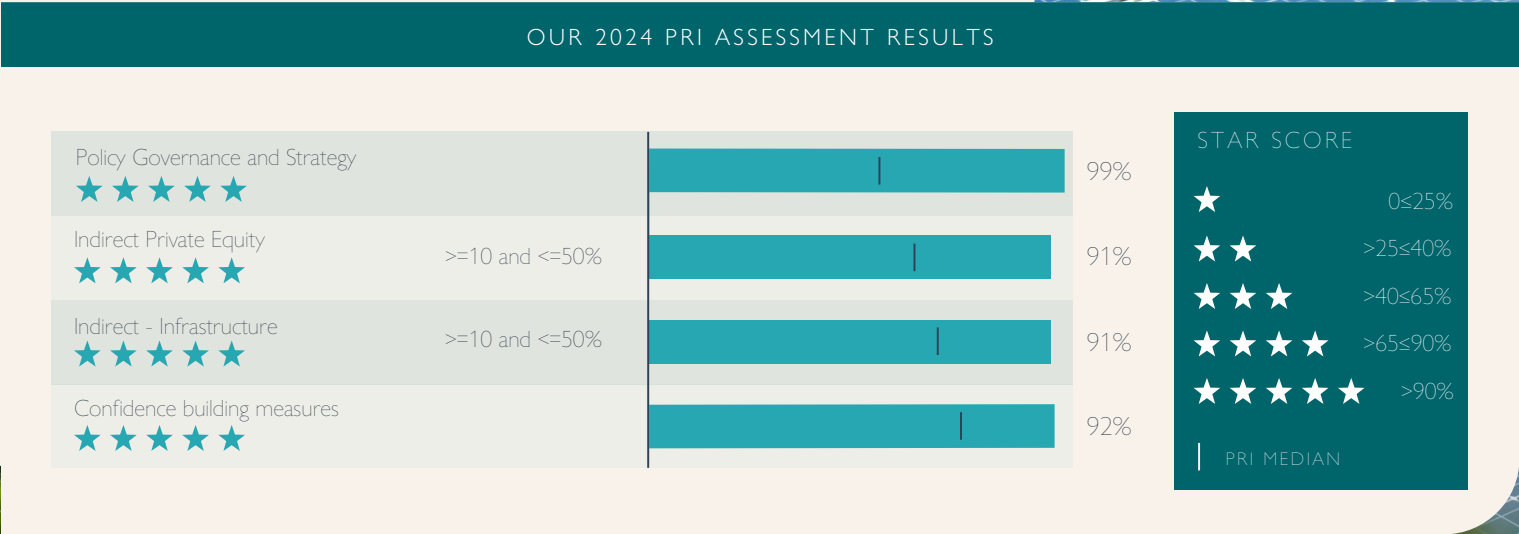
Stafford and the PRI

The Principles for Responsible Investment (PRI) was established in 2006 with the mission to guide investors in integrating environmental, social, and governance (ESG) into their investment decision making and ownership practices. As of 31 March 2024, it had 5,300 signatories and operated in 100 countries, representing approximately 120 USD trillions of investments. Stafford has been a proud signatory of the PRI since 2010.

OUR JOURNEY WITH THE PRI

The Principles for Responsible Investment (PRI) was established in 2006 with the mission to guide investors in integrating environmental, social, and governance (ESG) into their investment decision making and ownership practices. As of 31 March 2024, it had 5,300 signatories and operated in 100 countries, representing approximately 120 USD trillions of investments.

Stafford is proud to be a PRI signatory since 2010, being one of the early adopters and advocates of the PRI. As part of our continuous efforts to be transparent about our RI activities and the progress we are making towards implementing the Principles, Stafford completed the 2024 PRI Survey and achieved 5/5 stars across all four assessed modules – ‘Policy, Governance & Strategy’; ‘Indirect – Private Equity’; ‘Indirect – Infrastructure’; and ‘Confidence Building Measures’ module.



OUR JOURNEY WITH THE PRI

MANAGERS BENCHMARKING: OVERALL RESULTS

In 2024, Stafford enhanced its manager ESG benchmarking approach by widening the criteria for assessment, whilst keeping the PRI reporting outputs as an important component of our methodology.

During the year Stafford developed an internal scoring methodology to classify its managers across multiple categories reflecting their performance on integrating sustainability factors across the investment cycle. While the new methodology still leverages our managers' PRI reports and assessment results, it is now also supplemented with insights coming from Stafford's annual ESG data request, which includes consideration of a manager's approach to climate risks and setting net zero targets.

Building on our universe of managers that are PRI signatories, we requested from them to share their 2024 PRI reports with us. Despite the fact that PRI reporting was voluntary in 2024, we were pleased to see a significant proportion of our managers reporting fully.

For managers who are PRI signatories and did not report in 2024, we used their 2023 PRI assessment results as a proxy for 2024.

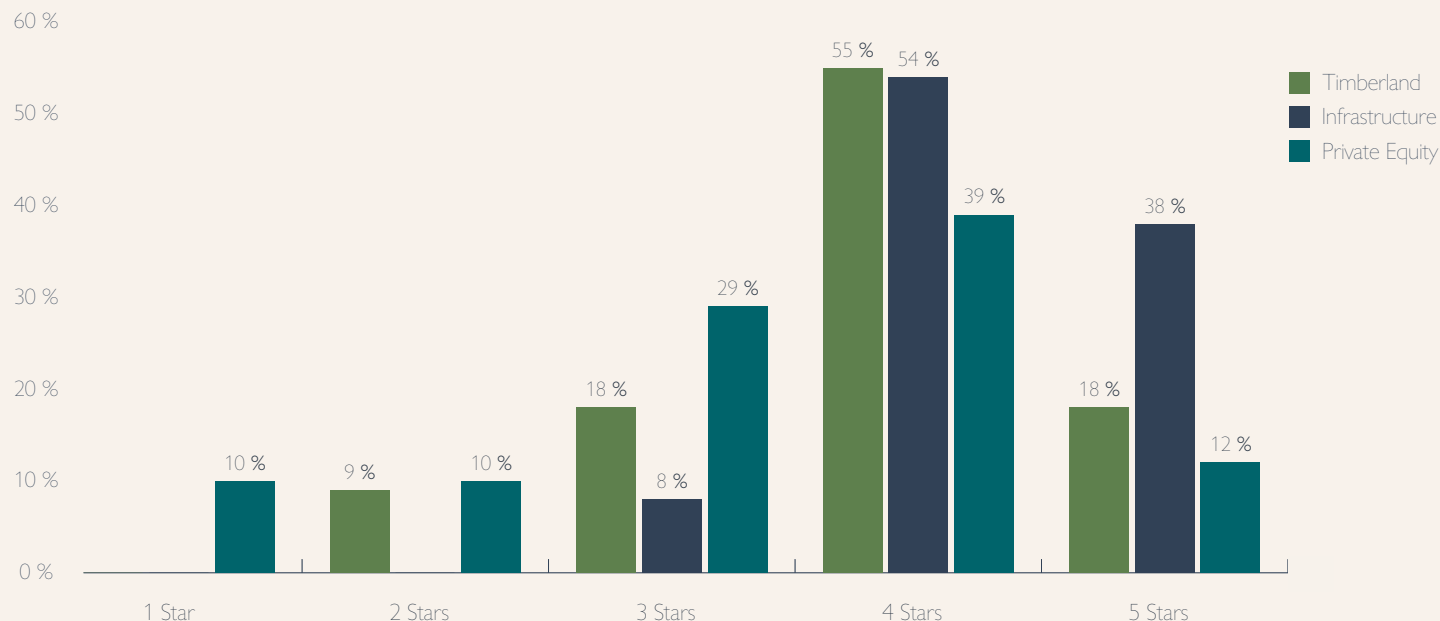
Overall, 60% of our managers are PRI signatories, with approximately 48% of these providing PRI reporting in 2024, while the remaining managers relied on their 2023 PRI reports.

Over a number of years, Stafford has been using the results from its managers' PRI annual surveys to consistently assess and benchmark their ESG performance and leadership.

The results of the PRI reports provide insights into our managers' responsible investment approaches and their progress over time and enable us to have a dialogue on ESG best practices.

Stafford was pleased to observe that in most cases, managers that reported in 2024 increased their score on PRI's 'Policy, Governance and Strategy' module relative to 2023. The figure below shows the PRI star ratings from our timberland, infrastructure and private equity managers for the Policy, Governance and Strategy (PGS) module⁹.

SHARE OF STAFFORD MANAGERS PRI STAR SCORE IN THE POLICY, GOVERNANCE AND STRATEGY MODULE



⁹ Stafford still holds (legacy) externally managed investments across the farmland and private credit asset classes. A majority of our private credit managers reported to the PRI in 2024, of which one manager managed to improve its PRI star rating from 2 to 3. None of our farmland managers reported to the PRI in 2024.

Our People

At Stafford, we recognise that our people are our biggest asset, and we strive to create a diverse and inclusive environment where they will thrive.

INTRODUCTION

This year Stafford celebrates a remarkable milestone – our 25th anniversary! And with this comes: 25 years of growth, innovation and resilience across our business. However, as we begin to reflect on our journey, we also want to acknowledge the values that have shaped who we are today.

At Stafford, we recognise that our people are our biggest asset, and we strive to create a diverse and inclusive environment where they will thrive. We are immensely proud of our culture which promotes values of integrity, creativity, ambition, and expertise; this is embedded in everything we do at all levels across the organisation.

In 2024 we continued to focus our attention on delivering our top priorities on our people agenda, which is always shaped by the feedback we receive in our engagement surveys.

We have continued to focus on ensuring we are clear on our purpose to make a difference and our team and individual objectives are aligned to this so our people continue to feel the importance of their contribution and how it makes a difference for our clients, society and the people around them.

We continue to emphasise the importance of what we need to deliver, as well as how we deliver it, which we see as imperative to maintain the high standards we have set in relation to performance and our culture.

As an HR function, we have continued to focus on partnering with the business to enable us to achieve our strategic and sustainability goals. The introduction of robust processes in relation to recruitment and promotions has enabled us to achieve a gender balance for all of our new hires and promotions. These steps

will contribute to us achieving a gender balance across the organisation and at all levels. We have also recognised wider diversity through a PRIDE celebration and we continue to look for ways to educate ourselves on diversity in all forms.

In 2024 we started to see the benefits of our people agenda through improved overall company performance. We continue to see the benefits of greater clarity and alignment across the business as we now turn ourselves towards communication strategies and strengthening our leadership in the year to come.



Sarah Ely
HEAD OF HR & OPERATIONS

“ In 2024 we continued to focus our attention on delivering our top priorities on our people agenda, which is always shaped by the feedback we receive in our engagement surveys. ”

Sarah Ely
HEAD OF HR & OPERATIONS



EMPLOYEE ENGAGEMENT

Following strong engagement scores in 2024 and continuing our commitment to strive for excellence and improvement as part of our Organisational Fitness we focused our attention on a shorter Pulse Survey this year. The survey was designed to gather quick and valuable feedback ahead of us launching our main engagement survey during Q4 of 2025. The results gave us important feedback on selected topics including: reward, objectives, performance and diversity, equity and inclusion.

The analysis of the results indicated that there were areas that, as an HR team, we needed to provide clarity on. Therefore, we directed our attention to running focus groups and holding 1:1 sessions with our employees to delve deeper into the firm's engagement. More specifically the areas that we felt needed greater awareness: such as our global benefit packages and annual performance cycle. This has allowed us, in H1 2025, to connect with our global offices and have meaningful conversations regarding these topics.

Following the survey we have shared and discussed the results with each team and continue to incorporate the feedback received into our people agenda going forward. We have been able to make updates to our policies and improve our reward processes to support our overall aim of Organisational Fitness. The results also allowed us, as a team, to refocus our key objectives ahead of H2 2025, keeping engagement a priority while we look at ways of ensuring our eNPS score remains high ahead of our next annual engagement survey.

KEY HIGHLIGHTS OF THE PULSE SURVEY

- An 83% response rate; and
- An overall engagement score of 6.6 out of 10



EMPLOYEE ENGAGEMENT

As a reminder our 2024 annual engagement survey consisted of 36 questions divided across 8 categories, with the majority remaining unchanged from 2023. The engagement score was based on 3 principal questions which employees were asked to answer in relation to how much they agreed with the below statements.

- **Advocacy**
How likely are you to recommend Stafford as a good place to work?
- **Pride**
I feel proud to work for Stafford.
- **Loyalty**
I rarely think about looking for a job with another company.

Below is our 2024 engagement score with comparable scores for the professional services industries and firms with 1-250 employees.

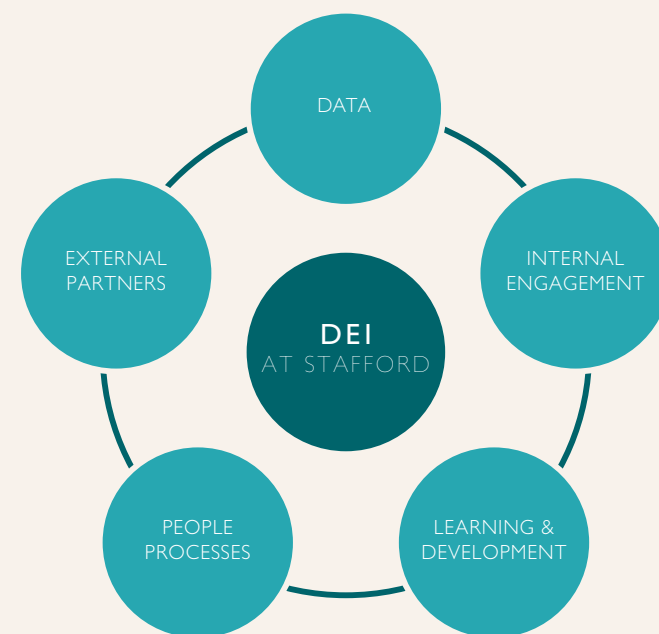
	STAFFORD 2024	PROFESSIONAL SERVICES	1 - 250 EMPLOYEES
Engagement Score	7.4	7.8	7.5
Advocacy	7.6	8.1	7.8
Pride	7.9	8.1	8.1
Loyalty	6.6	7.1	6.6

Ahead of our next survey we plan to keep the survey questions the same, or similar, to allow us to grow our data set and build comparable data year on year. We remain committed to engagement and are aiming for an engagement score of 7.5 or more as set out in our objectives following improvements mid-year driven by the results of the Pulse Survey.





WE CONSIDER OUR DEI
IN RELATION TO THE FOLLOWING AREAS:



DEI

DIVERSITY, EQUITY, AND INCLUSION

Our beliefs and progress in relation to Diversity, Equity and Inclusion.

- Diversity comes in many forms and our culture provides an inclusive environment where all our people will be treated equally and can thrive.
- Supporting and encouraging diversity of all kinds and at all levels is the right thing for the organisation and for society.
- Diversity of thought leads to better decision making and outcomes.
- We will continuously work towards Stafford having a more balanced and diverse workforce.

DEI

DIVERSITY, EQUITY, AND INCLUSION

DATA

We regularly measure and assess our diversity through workforce analytics and review our data in relation to a number of diversity metrics. We believe that continuing to track and report on this is fundamental in moving the dial and growing our diverse workforce.

Over a four-year period, there has been a steady increase in female representation and a gradual decline in male representation, indicating progress towards a more balanced gender distribution. Data collection also improved over this period.

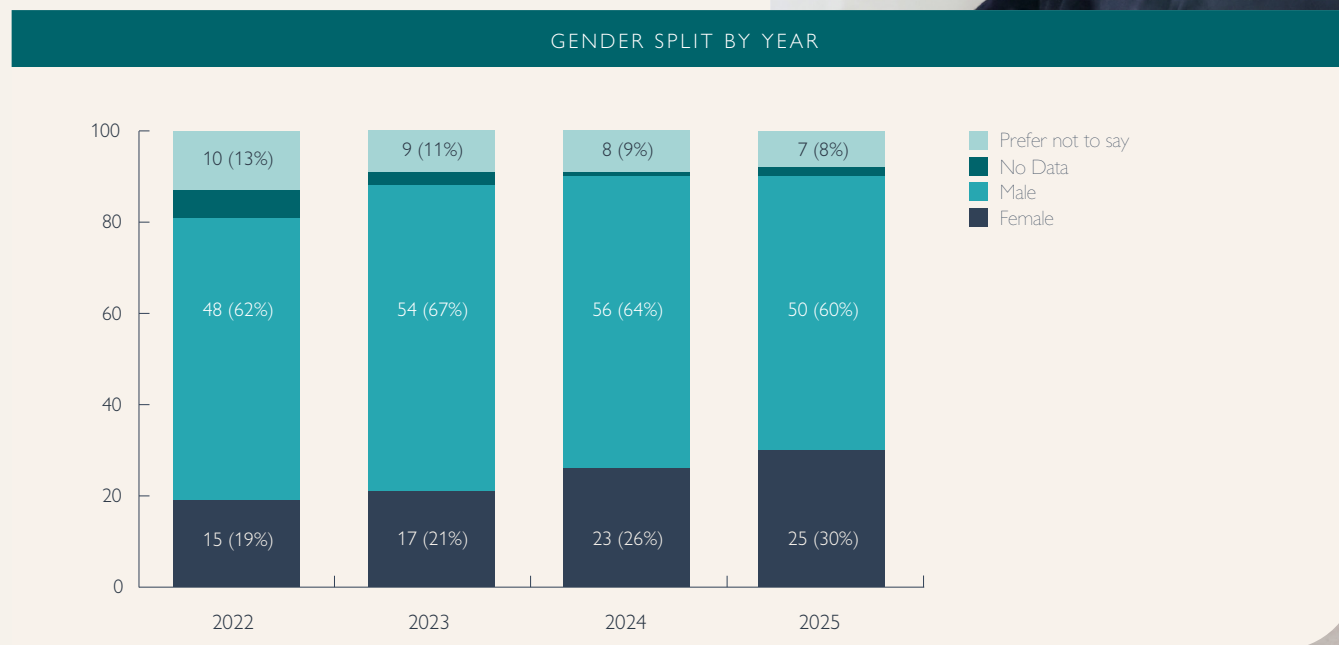
Stafford proudly reflects a global workforce, currently represented by 20 different nationalities who speak 18 different languages. In line with our commitment to diversity and inclusion, 23% of our permanent employees come from diverse ethnic backgrounds—demonstrating meaningful progress towards a more representative and equitable workplace.

INTERNAL ENGAGEMENT

Stafford has high internal engagement in relation to DEI activity. In addition, we asked every employee how much on a scale of 1 to 10 they agreed with certain statements (10 being ‘I agree the most’). Examples of these include, “this company hires people from diverse backgrounds” (answers averaged 7.5) and “this company is a place where people from diverse backgrounds can succeed” (answers averaged 8.1). We believe that our culture and environment provide us with a strong footing to grow a more diverse organisation.

In 2025, Stafford launched the Library of Books, a new initiative to foster conversations around our offices, globally, and to offer reading materials from a diverse selection of authors. The library’s first book, “Not the End of the World” by Hannah Ritchie, challenges the doom narrative around climate and offers a data-driven perspective on climate optimism and progress. Employees are encouraged to add their favourite books on topics related to climate, nature and sustainability. At Stafford, we believe in building a culture of awareness on various topical moments and see this as crucial for enabling diversity of thought and action from the team.

As of 1st January every year



DEI

DIVERSITY, EQUITY, AND INCLUSION

CELEBRATING PRIDE MONTH

Pride Month at Stafford was a powerful reflection of our 25-year journey, not just in business, but in building a culture rooted in inclusion, visibility, and respect. As we celebrated Pride and our own anniversary milestone, we emphasised how Pride Month offered a meaningful opportunity to honour our commitment to diversity, equity, and belonging across all offices. From thoughtful reflections on our inclusive workplace culture to community-building events like the Pride-themed ice cream party in London. Pride Month underscored how far we have come, and how much further we aim to go. With over half of our recent hires identifying as female, Stafford continues to grow not only in numbers but in values, working to build a culture that ensures authenticity is welcomed, supported and celebrated.

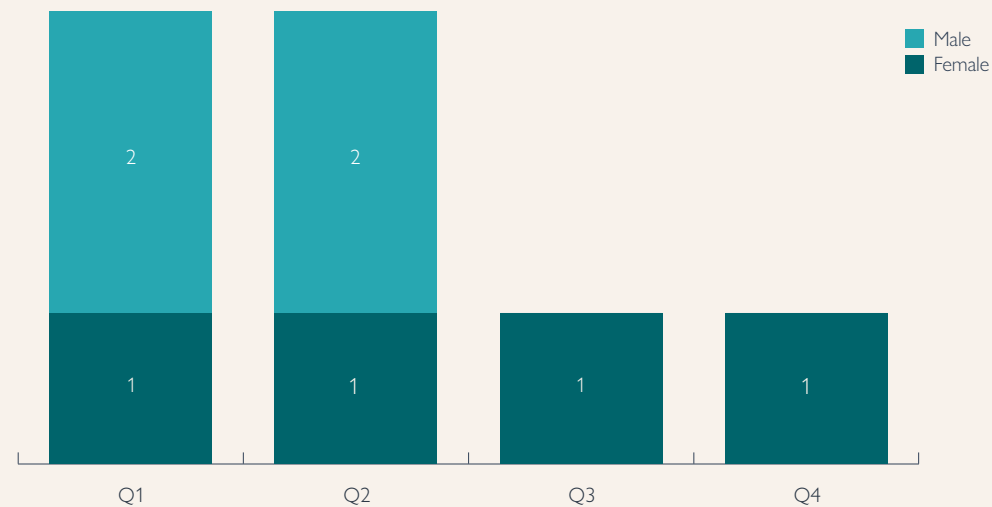
PEOPLE PROCESSES

The implementation of our people processes and policies is always evaluated through a DEI lens. Key to this is our recruitment policy and process where we are committed to applying our equality, diversity, and inclusion policy at all stages. This includes working closely with recruitment firms to ensure we always obtain diverse and balanced candidate shortlists, having clear role profiles, and having a diverse interview panel to include a broad range of perspectives and to mitigate unconscious biases. We regularly review all our people practices and policies to ensure that they are considered from a DEI perspective.

The refinement of these policies and processes has resulted in a positive impact on the gender diversity of our new hires (see below.)

Based on permanent staff only

2024 NEW JOINERS BY GENDER



“At Stafford we view our last 25 years of progress in many ways, one being our commitment to diversity, equity and inclusion and how we continue to improve and grow this with every year. In the past year we were pleased to see 54% of new hires identifying as female and are proud to continue increasing our female representation year on year.”

Sarah Ely
HEAD OF HR & OPERATIONS



PERSONAL GROWTH AND COMMUNITY IMPACT

LEARNING AND DEVELOPMENT

Stafford recognises the need for continuous learning and development in relation to DEI. In line with this, we look to our Board members to be ambassadors for DEI initiatives and promote awareness within their own functions. Our HR team is also key to this and continually seeks to educate our people and embed DEI practices into what we do.

We have initiated several mentoring relationships across the business to support our female talent in their development and career progression. In addition, we look to equip our managers and leaders with the skills and awareness required to manage diverse and inclusive teams. As part of this, in 2024, we implemented a new Leadership and Management training programme for our senior leaders which concluded in H1 2025. We feel the firm has a stronger leadership pipeline and demonstrates our commitment to supporting the firm's culture. All aspects of the programme incorporated DEI considerations and highlighted the importance of mitigated unconscious bias.

STAFFORD GLOBAL VOLUNTEERING

Stafford operates its Global Volunteering Policy to support activities that positively impact local communities, assist people in wider society, improve the environment, or support sustainability. We actively encourage and support employees who wish to do voluntary work and offer two paid days of volunteer leave per year. We recognise the positive difference that volunteers can make to our society, and we also recognise how volunteering can provide employees with a sense of community and purpose.

PERSONAL GROWTH AND COMMUNITY IMPACT

Here are several examples of the volunteering activities that took place over 2024/2025:

MAKING A DIFFERENCE IN LOCAL COMMUNITIES

Kurt Faulhaber – Partner
Austin, Texas, USA

As part of our employee volunteering programme, Kurt spent a volunteering day supporting an elementary school in Texas, USA. Kurt's contributions spanned a variety of impactful activities, including running a morning chess club for 80 students, teaching coding and space-themed lessons such as "Mission to Mars," and assisting with school operations by organising lost-and-found items and helping teachers with administrative tasks. These hands-on activities exemplify how individual engagement can make a meaningful difference in local communities, while also fostering educational enrichment and operational support in schools.

SUPPORTING THE PRESERVATION OF A WETLAND NATURAL RESERVE

Zurich Office
Seleger Moor, Switzerland

The Stafford Zurich office dedicated a day to volunteering at Seleger Moor, a picturesque wetland nature reserve near Rifferswil. Preserved by a charitable foundation since 1978, the park spans over 12 hectares and is home to a rich diversity of flora and fauna, including a renowned botanical garden. With only four full-time staff responsible for maintaining the grounds, our team provided valuable support in rejuvenating a section of the park and preparing it for new plantations. This contribution directly supported the foundation's mission and helped ensure the continued preservation of the site, which welcomes over 40,000 visitors annually. The Seleger Moor team expressed deep appreciation for our involvement, noting that such volunteer efforts and donations are essential to the park's upkeep.

A Swiss-style outdoor cheese fondue of course rounded up a day of hard but fun physical team work.



CELEBRATING WORLD BEE DAY!

Stafford HR Team
London, UK

Stafford's HR team volunteered their services to The Phoenix Gardens to help celebrate World Bee Day! The Phoenix Gardens work to maintain an ornamental wildlife garden, as a retreat from the stress of the city for local residents, workers and other visitors. They provide an experience of nature in the centre of the city, available nowhere else locally – it is often described by visitors as an 'oasis'.

The afternoon was spent supporting their Back to Nature workshop which was attended by 20 people from the Dragon Hall Trust. The team spent a few hours providing technical help supporting their Big Bee quiz, assisted with identifying Bee's and other nature in the gardens using the 'Inaturalist' app and prepared scones and honey for everyone to enjoy.

VOLUNTEERING AT SITOPIA FARM

William Javaux – Sustainability Associate
London, UK

William used a day of his volunteering leave to help plant summer squash at Sitopia Farm, a two-acre urban farm in Greenwich, London. The farm produces organic vegetables, fruit, and flowers using regenerative and no-dig methods. Sitopia's mission is to reconnect people with the soil, the joy of food and flowers, and with one another through its farming practices, events, courses, and community volunteering.

The day began with a one-hour induction that included a tour of the farm, an overview of its history, and an introduction to regenerative and no-dig principles. The rest of the day was spent hands-on in the field alongside other volunteers, planting summer squash and getting our hands dirty in carbon-rich soils!

A full-page photograph showing two construction workers in safety gear (hard hats and high-visibility vests) installing large solar panels on a flat roof. The workers are positioned on the left and center, leaning over a large panel. The panels are dark blue with silver grid lines. The background shows a clear blue sky and distant buildings.

Responsible Investment in Business Lines

Our Timberland, Infrastructure and Private Equity strategies continue to contribute to real-world positive impacts that provide both sustainability benefits and commercial returns for our clients.

Timberland

INTRODUCTION

Stafford currently offers **two** broad timberland strategies to its global institutional investor base:

- First, a traditional timberland strategy which invests via a predominantly secondaries approach, alongside minor allocations to co-investments and primary funds. This strategy can be viewed as being very much “core” timberland, since the investments are mostly into mature, existing forests, in developed countries and regions with established wood markets, and which produce regular cash yields from commercial wood production.
- Secondly, a carbon strategy which focuses on investments that can generate carbon offsets on behalf of investors. This is more of a greenfield strategy that seeks to develop new forest plantations, restore natural forest areas or improve the management of existing forests. Returns are driven by a combination of carbon offsets, which can be distributed to investors, or sold on their behalf, timber sales, and capital appreciation of newly planted assets as they develop.

We believe both timberland strategies can achieve significant carbon removals, which can contribute meaningfully towards investors’ climate targets, as well as high standards of sustainability alongside the investment return they generate. With their global focus our strategies can provide a high degree of diversification, with broad exposure across timber markets, and reduced exposure to single asset risk.

Stafford strongly believes that real assets and private markets can play a crucial role in reducing emissions through their investments. As a signatory to the Net Zero Asset Managers (NZAM) initiative, we have set interim net zero targets by 2030 that also apply to our timberland investments. We remain committed to achieving them.



TIMBERLAND INTERIM NET-ZERO TARGETS BY 2030

Financing Transition Targets

33% of total timber AUM is optimised for carbon capture and creating carbon offsets.

Engagement

Aim for portfolio-wide engagement with timber managers on portfolio decarbonisation practices and net zero commitments. Prioritise engagements with managers of our timber processing investments (which represent the main timberland investments with a net positive CO₂ emission profile).

25

YEARS OF
EXPERIENCE
INVESTING IN
TIMBERLAND

\$4.1bn

TIMBERLAND AUM

>100

UNDERLYING
ASSETS⁺⁺

16

DEDICATED
TEAM
MEMBERS

31,000km²

TIMBERLAND FOOTPRINT

17M

tCO₂e
GROSS CARBON
SEQUESTERED⁺

⁺ Source: Stafford Capital Partners, data as of December 31, 2024.

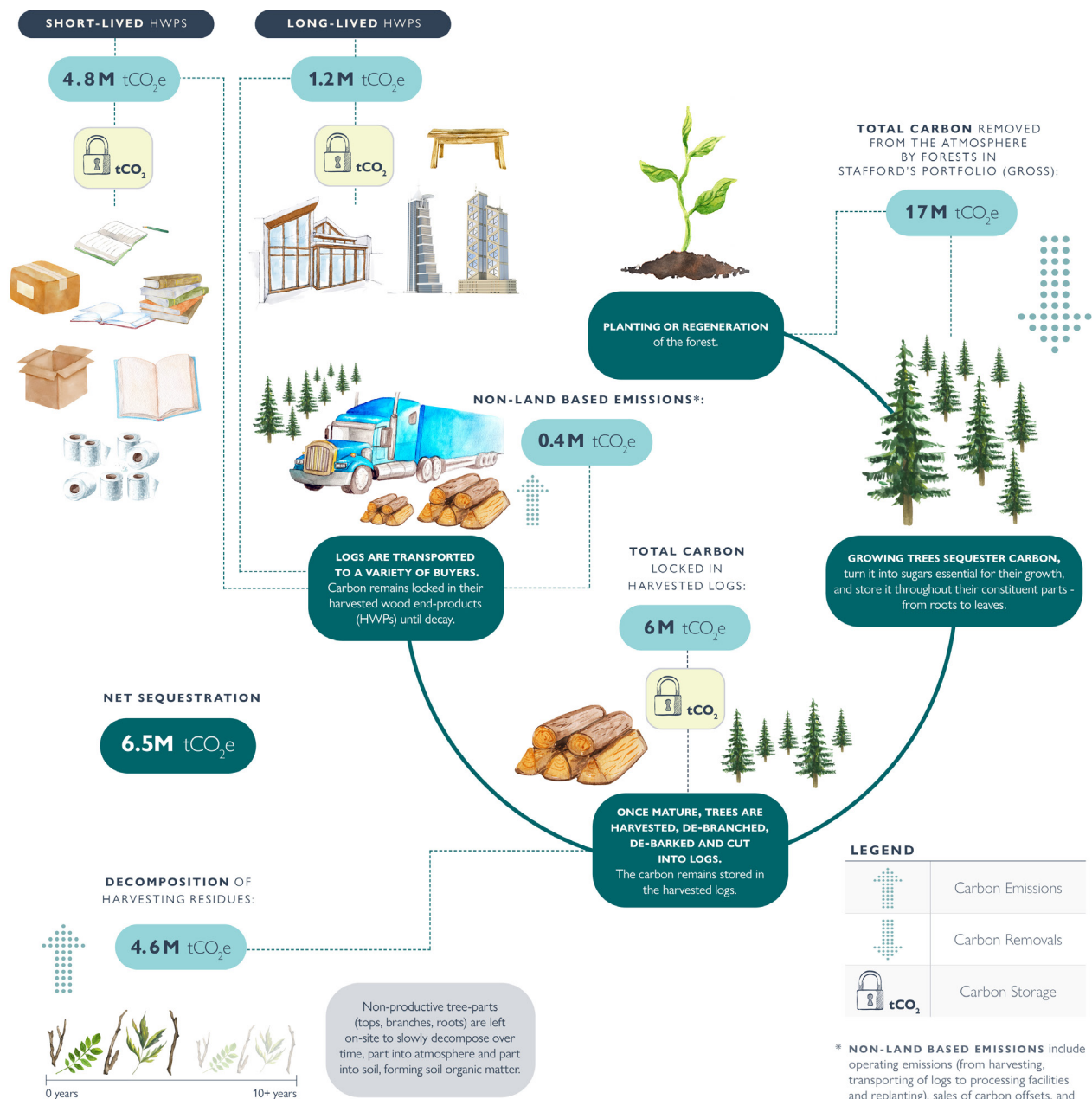
⁺⁺ Assets under management and advice as of 30 June, 2025. Full carbon flows are on the next page.

PORTFOLIO CARBON FLOWS

Stafford's internally developed carbon model estimates annual carbon emissions and removals across the Timber portfolios.

Stafford's internally developed carbon model estimates annual carbon emissions and removals across the Timber portfolios. Stafford estimates that the net biogenic land-based carbon removal of its Timberland portfolio during 2024 was 6.5 million tCO₂e, this is based on removals of 17.0 million tCO₂e via sequestration, offset by emission of 6.0 million tCO₂e stored in harvested logs which are moved out of the asset boundary (i.e. logs sent to wood processing mills) and 4.6 million tCO₂e stored in harvest residues which decompose in the forest and provide nutrients for the replanted trees (i.e. branches, tops, stumps and roots). We do not currently report on the contribution, storage and decay of wood products created from the harvested wood, hence they are treated entirely as an emission in this reporting, similarly, the decomposition of harvesting residues may in practice occur over years. Non-land based emissions were estimated to be 0.4 million tCO₂e, mainly from operating emissions of machinery used to harvest and haul logs to processing facilities, as well as sale of carbon offsets and combustion of biomass at wood processing assets.

In 2025, Stafford engaged again with its Timberland Investment Management Organisations (TIMO) partners on operational emissions and advocated for reducing operational emissions, noting practical challenges associated with operating heavy machinery in very rural areas, and the extent of third-party work. We will continue to focus on this for the remainder of 2025 and next year, in line with our NZAM targets.





CERTIFICATION SURVEY RESULTS

As an investor committed to following sound ESG practices, Stafford places a high emphasis on forest certification to ensure that these practices are diligently applied across our portfolio.

Forest certification is an independent, third-party evaluation of the management of a particular forest against a certain standard. It originated in the early 1990s and was mainly intended as a means to protect tropical forests from deforestation and degradation. Forest certification has since been widely adopted across all types of forests and in the majority of the world's major timber producing regions.

There are several forest certification systems in existence, with the major ones being the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), which is the parent framework for the US based Sustainable Forestry Initiative (SFI). These systems entail a rigorous third-party auditing process and provide a reliable indicator of adherence to legal requirements and best practice in all aspects of sustainable forest management.

Stafford undertakes an annual survey of the certification status across its timberland portfolio. The most recent survey was carried out this year and reported on data as of 31 December 2024.

It reported that 97% of Stafford's timberland portfolio is certified, with the remainder consisting largely of young timberland assets that are planned to be certified within the near future. The proportion is slightly lower than the result of the previous survey, due to the deployment of our latest generation core timber fund into additional areas of immature timberland that will be certified when they reach maturity. The main certification standard in use across the certified portfolio is Forestry Stewardship Council – FSC (65%) followed by the Sustainable Forestry Initiative – SFI (49%), and Responsible Wood initiatives (14%). A significant proportion (39%) is certified under more than one standard, in order to maximise market access of the sustainably produced wood products, since the level of preference and market recognition of each specific standard can differ between regions and customer types. Dual certification has therefore become increasingly common, since it provides the forest owner with maximum flexibility to meet the expectations of its stakeholders.

MANAGER SUSTAINABILITY PERFORMANCE

ESG DATA COLLECTION

In 2025, Stafford's Timberland team continued its enhanced post-investment ESG monitoring process by requesting ESG data from its managers in line with relevant sustainability related disclosures.

Stafford requested additional ESG data from its managers using the TNFD and SASB standards (now a part of IFRS) that are specific to timberland and wood processing investments. This involved an engagement undertaken across Stafford's TIMO partners discussing education, advocacy and collaboration on topics concerning ESG disclosures, ultimately aiming for more standardised and transparent reporting.

This year, we complemented our monitoring further with additional social metrics from the Global Impact Investing Network's (GIIN) IRIS+ reporting framework. These metrics related to job creation and fair pay. Our monitoring now consists of 43 separate metrics selected from 7 sustainability disclosure standards.

The selection is based on the relevance to timberland as determined by our in-house foresters and Sustainability team, and the alignment with overarching reporting frameworks such as the International Sustainability Standards Board (ISSB) to facilitate our clients' reporting requirements in turn.

After the collection and analysis of the results, we initiated our annual engagement programme with our timberland managers and incorporated the results from this year's monitoring into the programme. We believe this had a positive impact on our engagements as it allowed us to focus on specific items and topics identified from the data collected.



MANAGER SUSTAINABILITY PERFORMANCE

MANAGER BENCHMARKING

Given the indirect nature of many of our investments, careful selection of fund managers is critical in ensuring that assets are managed in accordance with best practices.

Over the past year, Stafford has developed an internal scoring methodology to classify its timberland managers across multiple categories reflecting their performance on integrating sustainability factors across the investment cycle. The methodology is based on the quantity, quality and content of the sustainability-related disclosures (see [ESG Data Collection](#)) as well as on our managers' PRI reports and assessment results.

All our timberland managers are PRI signatories, demonstrating a strong commitment to sustainability and the integration of ESG factors into their investment processes. Consistent with prior years, we have requested that our managers provide both their transparency and assessment reports. Although PRI reporting was optional in 2024, 58% of our fund managers submitted updated reports, while the remainder referenced their 2023 disclosures.

Those managers who reported in 2024 showed an increase in their assessment scores on the 'Policy, Governance, and Strategy' Module compared with the previous year. Upon reviewing the reports, we observed that there were year-on-year improvements in areas such as climate resiliency and climate risk management. More managers reported that they used climate scenarios to evaluate the resilience of their investment portfolios and measured their exposure to physical and transition climate risks. Stafford welcomes those improvements as they are relevant with respect to real assets such as timberland.

Key Highlights (TCFD/IFRS S2 four Core Pillars)

GOVERNANCE	STRATEGY
100% ESG policy in place	100% integrate climate-related risks and opportunities
100% have formal oversight over and accountability for responsible investment through board members and/or senior executive-level staff	42% assessed the resilience of its investment strategy across different climate scenarios
RISK MANAGEMENT	METRICS & TARGETS
92% have a process to identify and assess climate-related risks	42% publicly disclose scope 1, 2 and 3 emissions
75% have a process to manage climate-related risks	42% publicly disclose exposure to Physical and Transition climate risks

Source: Manager's 2024 PRI Reports, Stafford, data as of December 31, 2023

MANAGER SUSTAINABILITY PERFORMANCE

ENGAGEMENT ACTIVITIES

Over 20+ years Stafford has developed a close working relationship with the world's largest Timberland Investment Management Organisations (TIMOs) and regularly engages with these both proactively and reactively on ESG topics.

Earlier in 2025, Stafford provided feedback to all its TIMO partners on the quality of ESG reporting, and has since repeated the monitoring across the portfolio. We were pleased to note several improvements in the availability and standardisation of the disclosures. For the 2025 engagement programme, our focus is on GHG emissions reporting and the adoption of associated strategies to reduce operational emissions. We also focused on biodiversity impact reporting, including the disclosure of forest management inputs (e.g. fertiliser and herbicide use).

FOREST SECTOR GUIDANCE FOR TNFD

- As part of our review of sustainability related disclosures, Stafford contributed to the TNFD Draft Forest Sector Guidance via written and verbal feedback. The final document has been published¹⁰ and contained several of Stafford's recommendations, including the broadening of the TNFD's coverage to encompass the entire wood value chain to downstream wood processing. It is amongst the first such industry specific guidance to be published by TNFD. Furthermore, we are pleased to report that as of mid-year 2025, 5% of Stafford's timberland portfolio had a LEAP approach¹¹ undertaken at fund level and 25% at overarching firm (manager) level, whilst an additional 30% had managers considering a LEAP approach. We will continue to advocate for integrating TNFD recommendations with remaining managers (who mainly cited high cross-over with existing processes as reason for delay) via our dedicated sustainability engagements.

10. Read the TNFD Forest Sector Guidance [here](#).

11. The LEAP approach is the TNFD's prescribed approach to implement its recommendations, the acronym stands for Locate, Evaluate, Assess, Prepare.

CONSERVATION IN STAFFORD'S TIMBERLAND PORTFOLIO

- 380,000 ha or 12% of the land area of Stafford's timberland portfolio was designated as formal conservation area as of year-end 2024. This includes permanent reservations created by conservation easements and legal reserves. These areas are designed to permanently protect the habitats of threatened and endangered species that are present on the property. This directly contributes to the targets of UN Sustainable Development Goal 15: Life on Land.

CASE STUDY

STAFFORD CARBON OFFSET OPPORTUNITIES FUND UPDATE

Over the past 12 months Stafford has begun deploying its impact Timberland strategy, the Stafford Carbon Offset Opportunities Fund (“SCOOF” or the “Fund”).

SCOOF is Stafford's first SFDR Article 9 categorised fund which means that its investments must contribute to one of six environmentally sustainable objectives (as defined in EU Taxonomy and including climate change mitigation) whilst meeting strict criteria for wider environmental and social protection. The Fund's objective is to generate a return from production and sale (or investor use in lieu) of carbon credits from afforestation, natural forest restoration and improved forest management projects.

Since making the Fund's first investment in New Zealand, the Timberland team has been working closely with the forest management company to enhance sustainability monitoring at the assets in-line with SCOOF's requirements. This includes several steps which we believe exceed the requirements for FSC sustainable forest management certification including:

- Water quality monitoring at entry and exit of watercourses for nutrient levels, pollutants, sediment and aquatic ecosystem health.
- Trialling eDNA technology to complement field-based biodiversity monitoring.
- Monitoring operational waste including end of life (e.g. recycling rates).

All the information collected is used for the preparation of SCOOF's sustainability disclosures and feeds back into the forest management planning which is re-evaluated annually. Whilst meeting SCOOF's requirements for sustainability performance, the cost/benefit of this enhanced monitoring will also be closely considered by the Timberland investment team to potentially advocate for adoption across its wider core-timberland portfolio.

The team are also trialling the planting of additional native species alongside the watercourses to regenerate the riparian areas; and have commissioned an archaeological assessment on a site of interest identified by the properties' forest managers. This site is a suspected gum hole, which is a pit that is left following the harvesting and extraction of fossilised resin that was produced by native kauri trees and accumulated underneath them.

Infrastructure

INTRODUCTION

Established in 2012, Stafford's Infrastructure business focuses on constructing diversified investment portfolios of high-quality infrastructure assets.

Stafford's infrastructure assets are primarily located in OECD countries across energy, transportation, digital, utilities, and social infrastructure sectors. The strategy is driven via fund secondaries and co-investments that are underpinned by our proprietary data and systems, a systematic and disciplined investment process, and a dedicated global team.

Alongside our flagship infrastructure funds is a dedicated renewables strategy known as the Theia Platform. Established in 2018, the platform acquires brownfield renewable energy assets across Europe and concentrates on optimising these assets through revamping and/or repowering post-acquisition.

Equipped with an experienced team based in Milan, to date the platform has acquired over 100MW operational and ready-to-build solar PV plants in Italy, over 31MW of solar PV plants in the Netherlands, and an inaugural investment into an Italian hydro asset.

Over the past 13 years, Stafford believes that its infrastructure business has played a significant role in supporting fundamental societal needs such as improving access to better quality healthcare, education, expanding transportation and digital infrastructure networks, and delivering sustainable energy solutions through investing in renewable energy generation and energy transition assets.

As of 30 June 2025, our combined infrastructure portfolio encompasses over 500 unique assets spanning various subsectors, geographies, and vintages.



2012

LAUNCH YEAR

2.2bn

INFRASTRUCTURE
AUM

>500

UNIQUE
UNDERLYING ASSETS⁺

10

DEDICATED
TEAM
MEMBERS

30

MANAGERS
WE ARE
INVESTED WITH

>50

UNIQUE
UNDERLYING
FUNDS &
VEHICLES

5*

AWARDED
IN 2024 PRI
ASSESSMENT

⁺ Source: Stafford Capital Partners, data as of December 31, 2024.

⁺⁺ Assets under management and advice as of 30 June, 2025.

OUR COMMITMENT TO TACKLING CLIMATE CHANGE

Stafford strongly believes that private markets can play a crucial role in reducing emissions through their investments. As a signatory to the Net Zero Asset Managers (NZAM) initiative, we have set interim net zero targets by 2030 that also apply to our infrastructure investments and remain committed to achieving them.

Sustainability has always been a key pillar of Stafford Infrastructure's investment philosophy, with sustainability considerations encapsulated in both pre- and post-investment activities. Stafford Infrastructure's approach to sustainability has continued to evolve alongside the rapidly changing infrastructure and global landscapes, with sustainability factors continuing to assume greater prominence in decisions pertaining to how we invest and what we invest into.

INFRASTRUCTURE INTERIM NET ZERO TARGETS BY 2030		
Sector Targets 0% fossil fuels: no (indirect) investment in companies deriving more than 20% of their revenue from a fossil fuel value chain. This will include upstream, midstream, distribution and electricity generation and exclude transportation assets. 0% exposure to coal power generation.	Financing Transition Targets 50% of total Infrastructure AUM in financing transition through investments that: <ul style="list-style-type: none">➤ provide climate solutions (such as renewable energy, energy efficiency, among others), and/or➤ are committed to or are being managed in alignment with net zero.	Engagement Aim for portfolio-wide engagement with infrastructure managers on portfolio decarbonisation practices and net zero commitments. Prioritise engagements with managers of the highest emitting portfolio assets.



MANAGER SUSTAINABILITY PERFORMANCE

ESG DATA COLLECTION

Stafford requested ESG data from its Infrastructure fund managers by leveraging the ESG Data Convergence Initiative (EDCI) template to further streamline the industry's approach to ESG data collection and reporting. While we observe an increase in the quantity of portfolio level ESG data shared, we are also pleased to see an improvement in data quality.

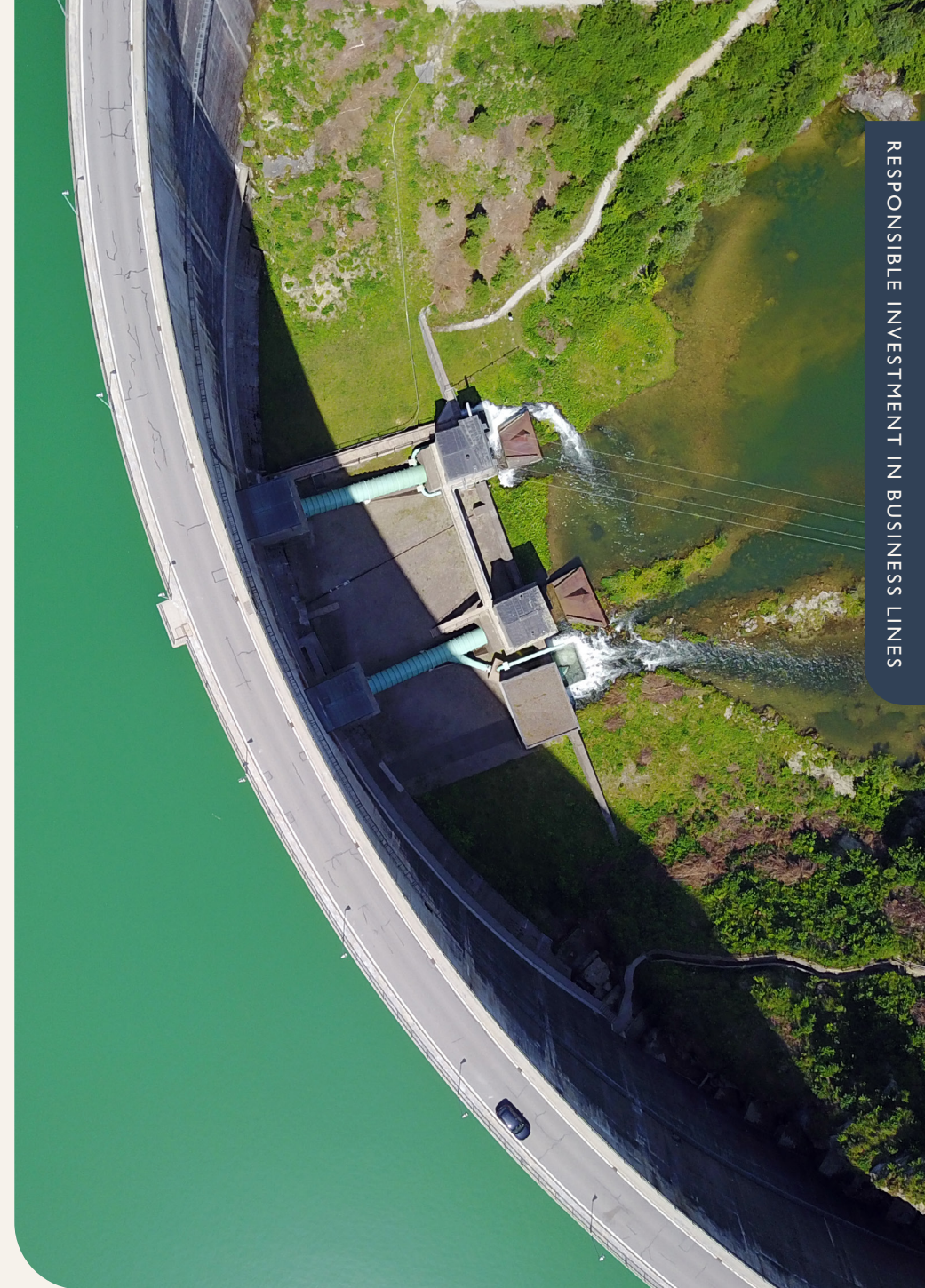
In 2024, we decided to advance our ESG data collection approach to better track sustainability performance at the Infrastructure portfolio level. To this end, we decided to request ESG data by leveraging the EDCI template (see [page 18](#)) which we also used for our private equity investments. Stafford also started a partnership with an ESG Data Platform in order to streamline our data collection process and strengthen the ability to share relevant data insights with our clients.

Emissions and net zero data

While our ESG data survey incorporates questions across multiple sustainability dimensions, disclosure in terms of emissions and net zero data was significantly better relative to the previous year's collection cycle. Across the 77% of our infrastructure managers that reported ESG data¹², we collected scope 1 and 2 emissions data for 59% of underlying assets and scope 1, 2, and 3 emissions data for 28% of underlying assets.

To assess each asset's journey on reaching net zero, we mapped the EDCI Template net zero questions to the Private Markets Decarbonisation Roadmap's (PMDR) decarbonisation scale. Results show that a majority (72%) of the underlying Infrastructure assets have not started their journey to net zero, 16% have started capturing data, 6% are preparing to decarbonise, and 6% are either committed to net zero or aligned to net zero. Given the proportion of managers with a net zero commitment in our Infrastructure portfolio is significant (53%), we believe this is a good indicator that the number of underlying assets committed/aligned with net zero will naturally increase over time.

12. 17% reported they had no data to share and the remaining 6% did not respond to our survey.



MANAGER SUSTAINABILITY PERFORMANCE

MANAGER BENCHMARKING

Stafford partners with fund managers committed to investing in a sustainable future. To assess and benchmark our Infrastructure fund managers' approaches to responsible investment, we collect their annual PRI reports and track associated assessment results.

In the previous year, Stafford developed an internal scoring methodology to classify its managers across multiple categories reflecting their perceived performance on integrating sustainability across the investment cycle. The methodology combines data from Stafford's annual ESG data request, our managers' PRI reports, and their public commitment to reach net zero. Benchmarking our managers on sustainability indicators helps us identify both best practices and areas needing improvement. Our infrastructure managers have continuously demonstrated strong commitment to sustainability and the integration of ESG factors into the investment process. 90% are PRI signatories and just over half are committed to reaching net zero, which we believe is a significant commitment.

While reporting on PRI was optional in 2024 for fund managers that reported the year before, we were able to obtain PRI reports from 16 Infrastructure managers and relied on the 2023 reports for the remainder. Combining the assessment results across both years, we are pleased to observe that over 90% of the managers achieved 4 or 5 stars both in the Policy, Governance and Strategy¹³ (PGS) and Infrastructure (INF) Modules. Notable enhancements year-on-year involved better management of climate related risks (see PGS 44), as well as broader measurement and public disclosure of scope 1, 2, and 3 greenhouse gas emissions (see PGS 46).

13. The PGS module aims to capture signatories' overall approach to responsible investment, including key themes that are applicable to most asset classes; the INF module aims to capture the signatory's responsible investment approach for infrastructure investments in aggregate.
Source: PRI - 2023 Reporting Framework: Overview and structure guide.

Key Highlights (TCFD/IFRS S2 four Core Pillars)

GOVERNANCE	STRATEGY
90% ESG policy in place	87% integrate climate-related risks and opportunities
87% have formal oversight over and accountability for responsible investment through board members and/or senior executive-level staff	80% assessed the resilience of its investment strategy across different climate scenarios
RISK MANAGEMENT	METRICS & TARGETS
87% have a process to identify and assess climate-related risks	83% publicly disclose scope 1, 2 and 3 emissions
73% have a process to manage climate-related risks	60% publicly disclose exposure to physical climate risks
	57% publicly disclose exposure to transition climate risks

Source: Manager's 2024 PRI Reports, Stafford; data as of December 31, 2023.



MANAGER SUSTAINABILITY PERFORMANCE

ENGAGEMENT ACTIVITIES

Stafford engages with its Infrastructure managers to assess and monitor performance on sustainability issues. Our latest engagement cycle confirmed that Stafford has partnered with managers who, for the majority, have demonstrated leadership and made progress on sustainability topics, including the transition to net zero.

Stafford's Infrastructure team has established and maintained strong relationships with reputable, well-established fund managers who have demonstrated successful track records and sound investment practices. By the end of Q2 2025, Stafford had partnered with 30 different infrastructure managers across Europe, North America, and Australasia. Stafford believes that these manager relationships, combined with Stafford's rigorous, diligent, and disciplined investment process and strategy, have facilitated access to high-quality underlying funds and assets.

Engagement Activity

Based on the insights from our internal manager sustainability scoring methodology, Stafford identified a number of managers to conduct one-on-one engagement sessions with. We selected both managers we considered to be most advanced with respect to sustainability, as well as those where we could see opportunities for continuous improvement in their ESG performance. Consequently, we conducted 16 targeted engagements in Q4 2024 and Q1 2025.

Main Engagement Topics and Outcomes

Decarbonisation

Our findings confirm that the overwhelming majority of managers are committed to decarbonisation and sustainability practices. However, we noted that most managers invested in climate solutions (e.g. renewable energy generation) tend to place less focus on the decarbonisation of the asset (due to the overall contribution to transition generated by such assets.) While Stafford acknowledged the key role played by climate solutions in terms of mitigating climate change, it stressed that those assets should also transition in line with net zero pathways applicable to their specific industry. Another finding regarding decarbonisation relates to managers who invest in social infrastructure (e.g. schools, hospitals) through public-private partnerships. Those managers pointed to the limited opportunity for implementing concrete

decarbonisation measures due to the structure of the contracts that govern the direct management of those assets, even though opportunities for decarbonisation exist and are implemented where possible in practice.

Climate Resilience and Biodiversity

Stafford observed an uptake in the incorporation of climate resilience and biodiversity considerations in the investment process of our managers. Actions are taken by managers to identify the exposure of their assets to climate-related physical risks (e.g. by stress-testing asset locations across multiple climate scenarios with support from third party climate risk tools) and to biodiversity risks (e.g. by assessing their assets' dependency on ecosystem services and impact). Those assessments are used to inform what resilience measures need to be implemented to mitigate climate risks and reduce negative impacts on nature.

CASE STUDY NEVEL

In Q1 2024, Stafford Infrastructure Secondaries Fund V (SISF V) completed an investment into a high-quality, diversified portfolio of European assets managed by Ardian.

One of the fund's assets is Nevel Oy, a leading district heating and industrial energy solutions company. The company was originally owned by Vapo Group, a Finnish state and municipality owned energy group that concentrated on the production and supply of solid fuels as well as agribusiness solutions for industrial clients and consumers in Finland. Nevel was carved out and privatised in 2020, with the focus shifting towards the green energy transition.

Nevel now operates across Finland, Sweden, and Estonia, serving around 100 industrial customers and over 5,000 real estate customers with decentralised energy and circular economy solutions. The business operates more than 130 energy production sites and manages over 40 district heating networks, producing 1.9 TWh of energy annually which is equivalent to heating approximately 100,000 households in a year. Moreover, the company currently employs nearly 200 people.

Nevel offers energy services for all end-user types on a built-operate-own model across the following segments:

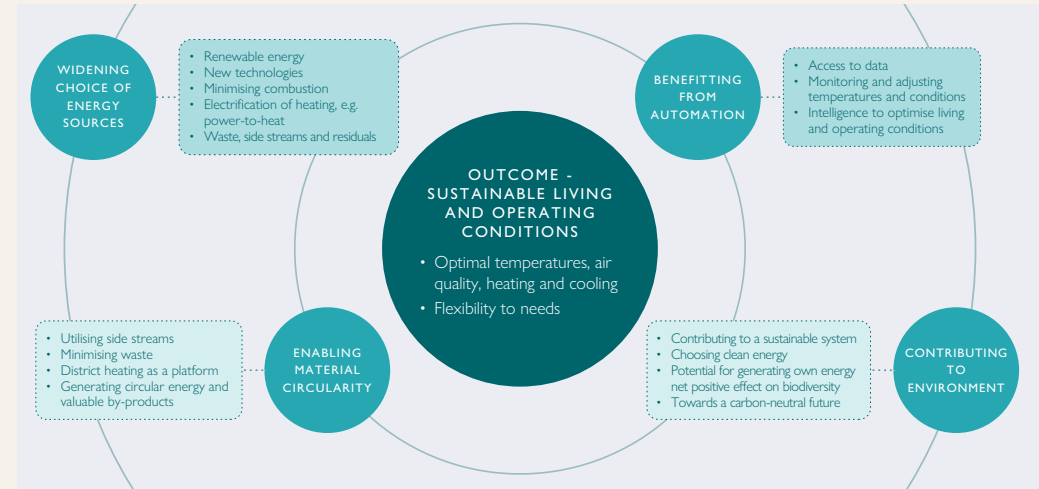
- District Heating: production and supply of heat to housing companies and public sector companies primarily via fully owned networks.
- Industrial Energy: heat solutions for industrial companies aiming to outsource their heat, steam, and power generation assets.
- Biogas: production of renewable natural gas through the anaerobic digestion of sludge and biowaste.

Sustainability is at the forefront of the company's operations, with the objectives of achieving Scope 1 carbon neutrality in its real estate solutions business by 2030 and transforming the company into a leading promoter of circular economy solutions.

Nevel's sustainability approach encapsulates the following key themes:

1. Co-creating local circular economies: with the utilisation of material streams, Nevel invests in biodegradable materials processing, facilitating the generation of valuable by-products.
2. Driving transformation to Scope 1 CO₂ carbon neutral energy production: by 2030 for the real estate solutions business and decarbonising the energy production of industry business customers by 2035.
3. Building a strong health and safety culture with zero injury principle: the safety agenda implements robust preventative safety measures.
4. Building transparent corporate citizenship: a commitment to high ethics and accountable governance, amalgamating dialogue with local communities and the use of state-of-the-art risk management practices to promote effective compliance.

Nevel's promotion of a circular energy system encompasses several elements as reflected in the following figure:



CASE STUDY NEVEL

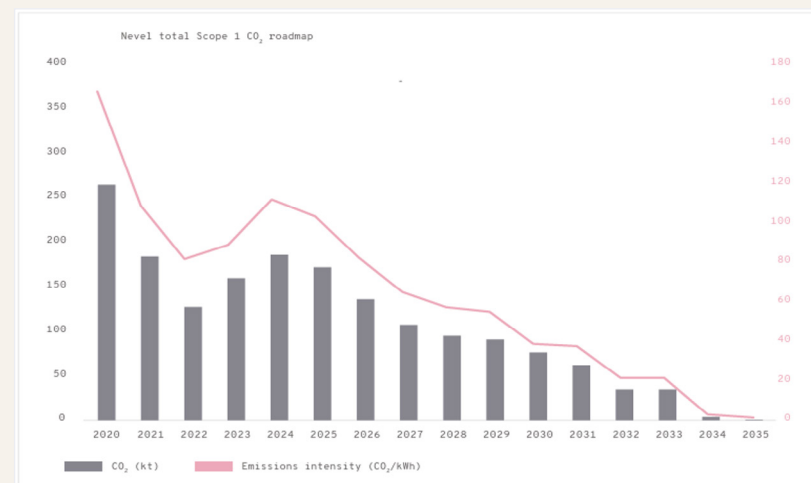
ACHIEVING DECARBONISATION AND CARBON NEUTRALITY OBJECTIVES

Nevel has both invested in and adopted new technologies and expanded the energy mix, enabling Scope 1 CO₂ emissions to be scaled down. This involves the replacement of fossil fuels by renewables, side streams, and waste and heat recovery.

Moreover, non-combustion heating solutions such as power-to-heat are being used. It is acknowledged that the business has current exposure to both peat and fossil oil, which are respectively projected to be phased out of the organisations' real estate solutions business in 2027 and 2029. Regarding Scope 2 emissions, the business is committed to 100% of purchased electricity being sourced from CO₂ emission-free sources by 2026. Finally, in relation to Scope 3 emissions, Nevel has the ambition to foster sustainable business throughout the entire supply chain by 2035 in Finland and by 2045 in Sweden.



As Nevel is a growing company, absolute emissions will not necessarily decline year on year as the business continues to invest and acquire new sites. However, along with this growth, it is critical that Nevel's absolute emissions and the carbon intensity of its energy production decrease over time. Nevel monitors its carbon footprint and reports GHG emissions annually, supporting the company's ambitions to decarbonise its value chain and deliver on its carbon-reduction goals. The graph below demonstrates Nevel's projected total Scope 1 CO₂ emissions intensity (g/kWh) and absolute emissions (tons) 2020–2035



Moreover, in 2024 Nevel achieved a 75% share of energy from renewables, excess heat and electrification solutions at a group level. The company also made several supplementary electrification investment decisions that are expected to positively contribute to emission reductions in the coming years.

CASE STUDY

IIGCC PCRAM 2.0 — THEIA

ACHIEVING DECARBONISATION AND CARBON NEUTRALITY OBJECTIVES

Why we participated

Stafford, through its direct renewables-focused investment platform, Theia, has a direct impact on the management of the assets managed by Theia in the Stafford Infrastructure Secondaries Fund II and IV portfolios. For Theia, the management of climate related risks, including physical climate risk, has been a key pillar of its investment and operational management strategy. Against this backdrop, the team saw in the development of the IIGCC's Physical Climate Risk Appraisal Methodology (PCRAM) 2.0 a way to include an additional tool to its arsenal of risk management measures. Stafford also saw the opportunity to take part in an initiative aiming to better equip infrastructure investors with physical climate risk management and mitigation tools.

Selecting a renewable asset for assessment

The team identified a number of key assets - 3 PV plants, and 1 mini-hydro, all located in Italy - that could be explored further in the PCRAM 2.0 case study. Further to a preliminary analysis, and the data collection, a PV plant located in Northern Italy was selected to become the subject of the case study. Once the asset was selected the PCRAM working group applied gated steps where each "gate" provided results that were used in the next step (see chart with process steps outlined).

The PCRAM 2.0 Process

	1	2	3	4
STEPS	SCOPING AND DATA GATHERING	MATERIALITY ASSESSMENT	RESILIENCE BUILDING	VALUE ENHANCEMENT
OBJECTIVE	Determine data sufficiency	Assessing asset vulnerability	Identifying adaptation options	Optimised resilience with residual risk transfer
SUB - TASKS	<ul style="list-style-type: none"> ➤ Project initiation ➤ Project definition ➤ Data gathering & sufficiency 	<ul style="list-style-type: none"> ➤ Hazard scenarios ➤ Impact pathways ➤ Financial sensitivities (return & debt) ➤ Distinguish acute damage vs. chronic performance efficiency 	Adaptation options, costs and availability: <ul style="list-style-type: none"> ➤ Hard (Structural/Capex) ➤ Soft (Operational/Systems) 	<ul style="list-style-type: none"> ➤ Identify resilience metrics ➤ IRR comparisons ➤ Insurability and credit quality
OUTPUTS	<ul style="list-style-type: none"> ➤ Initial climate study ➤ Critical asset and system components ➤ KPI selection, risk appetite ➤ Base Case cashflow forecast 	<ul style="list-style-type: none"> ➤ Detailed climate study ➤ Quantified list of impacts and severity by component ➤ Climate Case(s) cashflow forecast 	<ul style="list-style-type: none"> ➤ Repeat materiality assessment ➤ Cost/benefit for suitable measures ➤ Adaptive pathways ➤ Resilience Case(s) cashflow forecast 	<ul style="list-style-type: none"> ➤ Investment case narrative ➤ Value implications across investment value chain actors e.g. investors, lenders, insurers
DECISION GATES	GATE A What are the scope boundaries and data sufficiency according to the investment strategy?	GATE B Are PCRs material for the asset(s)? Reviewing asset KPIs, what factors influence the materiality?	GATE C What are the most effective adaptation options for this asset, the optimal timing for their implementation, and the responsible parties for funding and execution?	GATE D How can resilience investment be optimised and incentivised, while ensuring equitable risk-reward distribution across the value chain actors?

Source: IIGCC's Climate Resilience Investment Framework, 2025.

Key Take-aways from the assessment

Once the PV project was selected and relevant data collected, the analysis proceeded with a materiality assessment. Based on the location and characteristics of the assets, the subsequent step involved identifying the key risk factors impacting the asset. This assessment revealed that the selected assets were exposed to two main risks: acute hailstorms and chronic heat stress.

Once the principal risk factors were identified, the assessment focused on resilience building which involved identifying the potential resilience measures and assessing their impact on cashflows. Examples include actions to reduce the effects of heat stress on electricity production, or to decrease the need for replacement of solar modules after severe hailstorms.

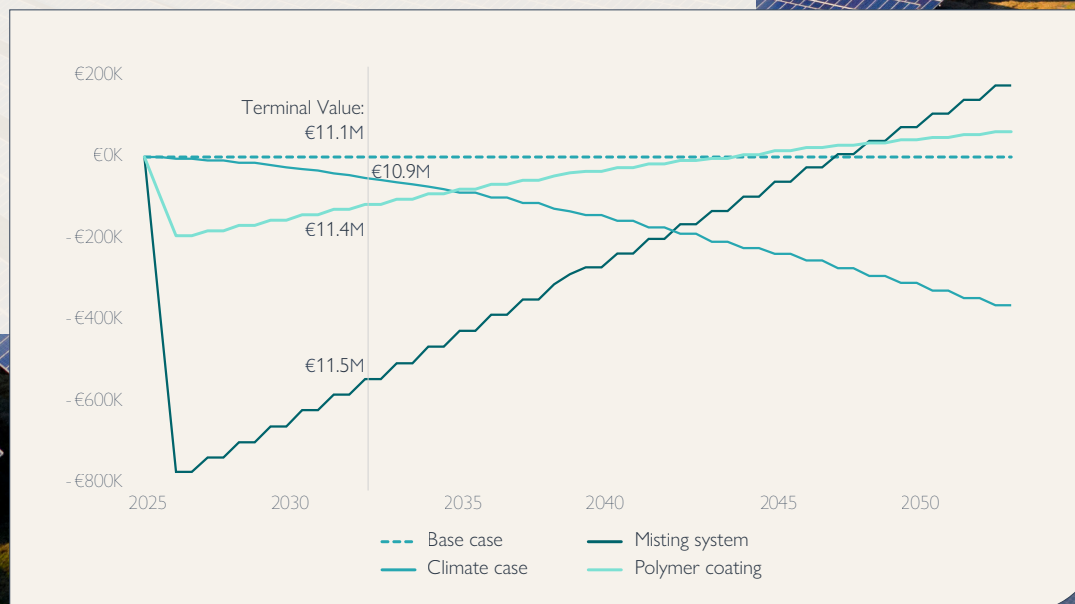
The PCRAM resilience measures step showed how the material physical climate risks identified affected cash flows as well as how relevant resilience measures could mitigate their impact on the asset's cash flows. The graph below shows the result of this analysis in the case of heat stress risk, where the installation of misting systems, or of polymer coating are envisaged as potential solutions.

The application of the PCRAM methodology to the selected assets in our infrastructure portfolio has demonstrated significant value and provides a foundation for broader adoption and integration within our risk management strategy.

Challenges and way forward

While PCRAM provides a robust framework for assessing physical climate risks and implementing resilience measures, we identified several practical challenges within the methodology, such as the need for better integration of insurance policies and of potential effects on insurability and component warranties. Additionally, the cost-benefit of resilience measures may not be realised within typical infrastructure asset management timeframes, especially if future buyers do not acknowledge their added value. However, with growing industry recognition and the involvement of insurers and lenders in physical climate risk assessment, there is strong potential for resilient assets to be increasingly valued and incentivised, paving the way for broader integration of physical climate risk considerations into renewable energy investment decisions.

Resilience investment mitigates heat stress effects and increases performance



Source: PCRAM case study - Solar and mini hydro portfolio analysis in Italy
<https://www.iigcc.org/resources/peram-case-study-solar-mini-hydro-portfolio-analysis-italy>

Private Equity

DRIVING

SUSTAINABLE VALUE CREATION

Private equity continues to be a powerful lever for innovation, transformation, and sustainable growth.

At Stafford, we partner with clients to build resilient portfolios that reflect their values and long-term objectives, while actively managing sustainability risks and opportunities.

Stafford Private Equity (PE) has over two decades of experience in sustainable investing, having launched its first sustainability-focused PE product in 2004. Our approach is rooted in proactive sourcing, rigorous ESG integration, and active engagement with managers and portfolio companies. In 2024, we launched the Stafford PE Decarbonisation Program, a bespoke initiative designed to help clients meet their net zero goals through tailored investment strategies and emissions reduction pathways.

\$2.2bn

AUM

20+

YEARS INVESTING
IN SUSTAINABLE
PRIVATE EQUITY

250+

GP RELATIONSHIPS
SINCE INCEPTION

12

DEDICATED PE
PROFESSIONALS

5*

AWARDED
IN 2024 PRI
ASSESSMENT

+ Source: Stafford Capital Partners, data as of December 31, 2024.

++ Assets under management and advice as of 30 June, 2025.

OUR COMMITMENT TO TACKLING CLIMATE CHANGE

Stafford strongly believes that private markets can play a crucial role in reducing emissions through their investments. As a signatory to the Net Zero Asset Managers (NZAM) Initiative, we have set interim net zero targets by 2030 that also apply to our private equity investments and remain committed to achieving them.

Sustainability is a fundamental aspect of Stafford Private Equity’s investment philosophy, with ESG considerations integrated into both pre- and post-investment processes. The firm maintains a robust commitment to addressing climate change, with portfolio decarbonisation serving as an integral factor in investment decision-making and supporting our objective of achieving net zero emissions by 2050.

Over recent years, Stafford has progressively focused on decarbonisation through client mandates and the introduction of our bespoke PE Decarbonisation Program in early 2024. Following the launch of this program, the team has observed a growing investable universe and an increase in dealflow. Both the program and client-driven decarbonisation mandates are guided by industry frameworks such as the IIGCC NZIF and PMDR 2.0, which serve as valuable tools to assess the progress of portfolio companies in their decarbonisation journeys. Over the past year, our decarbonisation assessment universe has evolved to encompass all assets within Stafford’s active private equity portfolio, leveraging insights derived from our annual ESG data collection process (see next page).

PRIVATE EQUITY INTERIM NET ZERO TARGETS BY 2030		
Sector Targets 0% fossil fuels: no (indirect) investment in companies deriving more than 20% of their revenue from a fossil fuel value chain. This will include upstream, midstream, distribution and electricity generation and exclude transportation assets. 0% exposure to coal power generation.	Financing Transition Targets 40% of total private equity AUM in financing transition through investments that: ➤ provide climate solutions (e.g. decarbonisation enablers), and/or ➤ are committed to or are being managed in alignment with net zero.	Engagement Aim for portfolio-wide engagement with private equity managers on portfolio decarbonisation practices and net zero commitments. Prioritise engagements with managers of the highest emitting portfolio assets.



MANAGER SUSTAINABILITY PERFORMANCE

ESG DATA COLLECTION

Since 2020, Stafford has collected emissions data across its PE portfolios, working with over 80 managers and 500+ portfolio companies. Our 18-month carbon data project, launched in 2023, deepened our understanding of Scope 1, 2, and 3 emissions, net zero alignment, and decarbonisation pathways.

New Developments

In 2024, we decided to advance our ESG data collection approach to better track sustainability performance at portfolio level. To this end, we decided to request ESG data using the EDCI template ([see page 18](#)) and partner with an ESG data platform to streamline the data collection process and the benchmarking of ESG outcomes.

GHG emissions and net zero data

While Stafford's questionnaire incorporated questions across all sustainability dimensions within the EDCI template, particular attention was given to the GHG emissions and net zero data provided by our managers as we aim to monitor decarbonisation in light of our net zero targets. Across all private equity managers in scope of the 2024 data request¹⁴, 29% of managers, covering c. 35% of private equity NAV, reported good quality emissions and net zero data. We collected scope 1 and 2 emissions data for 41% of underlying assets and scope 1, 2, and 3 emissions data for 32% of underlying assets.

To assess each asset's journey on reaching net zero, we mapped the EDCI net zero questions to the Private Markets Decarbonisation Roadmap (PMDR) decarbonisation scale. Results show that a majority (68%) of the underlying assets have not started their journey to net zero, 21% have started capturing data, 6% are preparing to decarbonise, and 5% are either committed to net zero or aligned to net zero.

14. The 2024 ESG data request covers the 2023 reporting year. The 2025 ESG data request, which relates to the 2024 reporting year, was launched in 2025 and results will be available later this year. As an investor in third-party funds, Stafford relies on external managers to collect ESG data at portfolio level.



MANAGER SUSTAINABILITY PERFORMANCE

MANAGER BENCHMARKING

Stafford partners with fund managers committed to investing in a sustainable future. To assess and benchmark our PE fund managers' approaches to responsible investment, we collect their annual PRI reports and track their associated assessment results.

In the previous year, Stafford developed an internal scoring methodology to classify its managers across multiple categories reflecting their perceived performance on integrating sustainability across the investment cycle. The methodology combines data from Stafford's annual ESG data request, our managers PRI reports, and their commitment to reach net zero.

Benchmarking our managers on sustainability indicators helps us identify both best practices and areas needing improvement. Currently, 47% of Stafford's active private equity fund managers are PRI signatories, and 25% are members of the EDCI. This demonstrates that the integration of ESG factors into the investment process is an important consideration for our managers.

In 2024, reporting on PRI was optional for signatories that reported in 2023, and we therefore collected reports from 20 managers and relied on 2023 results for others.

Most managers who reported in 2024 showed an increase in their assessment scores on the 'Policy, Governance, and Strategy' and the 'Private Equity' Module compared with the previous year. These score increases were generally due to improved calculation and public disclosure of GHG emissions by managers. This aligns with the observation that more managers are providing portfolio-level emissions data during the annual ESG data collection cycle.

Key Highlights (TCFD/IFRS S2 four Core Pillars)

GOVERNANCE	STRATEGY
98% ESG policy in place	83% integrate climate-related risks and opportunities
93% have formal oversight over and accountability for responsible investment through board members and/or senior executive-level staff	27% assessed the resilience of its investment strategy across different climate scenarios
RISK MANAGEMENT	METRICS & TARGETS
85% have a process to identify and assess climate-related risks	56% publicly disclose scope 1, 2 and 3 emissions
49% have a process to manage climate-related risks	24% publicly disclose exposure to physical climate risks
	29% publicly disclose exposure to transition climate risks

Source: Manager's 2024 PRI Reports, Stafford; data as of December 31, 2023.



MANAGER SUSTAINABILITY PERFORMANCE

ENGAGEMENT ACTIVITIES

Stafford engages with managers to assess and monitor their performance on sustainability issues. Our latest engagement cycle confirmed that Stafford has partnered with private equity managers with the majority demonstrating leadership and making progress on sustainability, including the transition to net zero.

Engagement Activity

Based on the insights from our internal manager sustainability scoring methodology, Stafford identified 17 managers to conduct one-on-one engagement sessions with. We selected both managers we considered to be most advanced with respect to sustainability, as well as those that could improve their ESG performance.

Main Engagement Topics and Outcomes

Sustainability Data Collection

Stafford found that the majority of PE managers engaged with (11 out of 17) collect ESG data and were able to return partial or fully completed EDCI templates. While the responsiveness across the EDCI indicators varies, we observed consistent reporting on GHG emissions and net zero alignment data. Where no data was shared on those two categories, we discussed reasons for not collecting and/or reporting and ways to overcome reporting challenges in the future. Where emissions and net zero data were available, we discussed the manager's methodology to measure those data points and the value creation case for supporting climate transition.

Decarbonisation

Our findings show that there is a wide spectrum of results on driving portfolio decarbonisation. Managers publicly committed to net zero targets tend to require portfolio companies to measure carbon emissions, develop a climate transition plan and, in due course, commit to net zero. A second group of managers – not formally committed to net zero – encourage their companies to decarbonise but in an opportunistic way and when commercially relevant. Finally, there were also managers that do not directly encourage emissions reductions.

In such cases Stafford shared best practices observed with other managers to encourage meaningful change. Stafford also helped to explain how to tackle measuring of portfolio companies' emissions and shared PE industry decarbonisation guidance, such as the Private Markets Decarbonisation Roadmap (PMDR) and the IIGCC's Net Zero Investment Framework, which can support managers in developing a case for portfolio decarbonisation, assessing where portfolio companies are on their decarbonisation journey and be better equipped to track progress over time.

Climate Resilience

While systematically assessing physical climate risks and driving climate resilience at portfolio companies is not widespread yet (as outlined in the key highlights on the previous page), we were pleased to find that a significant number of our managers are taking concrete steps to identify physical and transition risks associated with climate change (e.g. through leveraging third party climate risk tools) and taking action accordingly. Given the greater focus on encouraging private markets investors to assess physical climate risks, including recent PRI guidance, we expect our engagement on this point to continue in future exchanges with our PE managers.

CASE STUDY

NALO FARMS INVESTING IN REGENERATIVE AGRICULTURE

Nalo Farms, an investment approved this year, exemplifies Stafford's commitment to sustainability and innovation in private equity.

Nalo Farms is an early-stage regenerative agriculture platform focused on sustainable food production and soil health. The investment aligns with Stafford's and clients' sustainability goals by targeting a sector with significant potential for biodiversity enhancement, food security, and sustainable practices.

In addition to attractive risk adjusted returns does Nalo Farms also provide impact?

- **Social Value:** The platform supports rural employment, local food systems in Hawaii, and community engagement.
- **Innovation:** Nalo Farms leverages data-driven agronomy and precision agriculture to optimise yields while minimising environmental impact.
- **Climate Impact:** Regenerative practices at Nalo Farms aim to reduce emissions and enhance carbon capture through improved soil management and reduced chemical inputs.

STAFFORD'S ROLE

Building on the findings in our due diligence process, Stafford is actively engaging with Nalo Farms to:

- **Establish** sustainability KPIs.
- **Support** the development of a decarbonisation roadmap.
- **Monitor** ESG performance and community impact.



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Stafford Capital Partners (Stafford) is an independent private markets investment and advisory firm with USD 8.5bn in assets under management and advice for more than 150 institutional clients worldwide.

Founded in 2000, it has a global team of 85+ professionals investing in timberland, infrastructure, and sustainable private equity.

Stafford has been a UN PRI signatory since 2010 and has committed to the Net Zero Asset Managers initiative. It puts sustainability at the centre of its investment process and implements a well defined ESG program across all strategies.

In the UK, Stafford is authorised and regulated by the Financial Conduct Authority (Firm Reference Number: 225586) and Stafford is a company registered in England (Company Reg: 4752750).

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