IWC 2023 ESG Report

Content

About IWC and this report

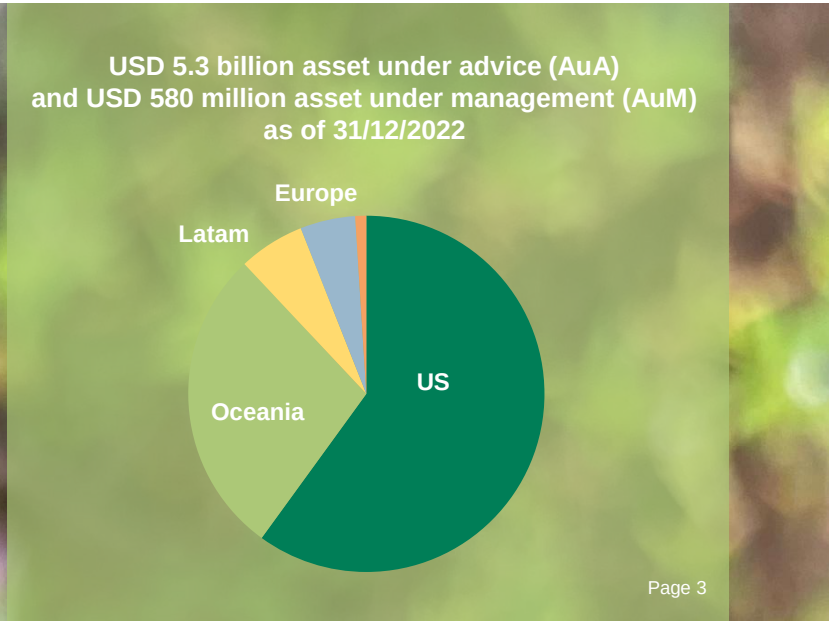
The IWC Group (IWC) is a leading natural resources investment expert with global expertise and experience in natural capital investments – timberland, agriculture, and ecosystems restoration – providing diversification, inflation hedge, capital appreciation, and ESG-proof investment opportunities to institutional investors. Established in 1991, IWC has today 31 employees with diverse educational and national backgrounds, four offices worldwide, and oversees about one million hectares of nature-based investments globally, valued about USD 5.9 billion as of year-end 2022.

IWC has three distinct business units:

- **Timberland Investment Advisory** (TIA): An advisory team working with timberland and ecosystem restoration investments in separate accounts, funds, or other ownership structures managed by selected partners across the globe, either on a discretionary (USD 210 mio) or non-discretionary basis (USD 5.3 bio).
- **Asset Management +** (AM+): A fund and separate account manager specialized in offering tailor-made investments in timberland in mature markets – in particular within core timberland regions in Europe, USA, Australia, and New Zealand (USD 230 mio).
- **Agriculture Investments** (AGI): A manager offering tailor-made agriculture services and investment solutions in Europe (USD 140 mio).

In this IWC 2023 ESG Report, the data presented is the aggregation of all IWC's business units and includes both assets under management and assets under advice. Moreover, the data is adjusted for each IWC client's ownership in the specific underlying investments.

In addition, each client of IWC's advisory business unit receives an ESG report reflecting the specific client portfolio composition.



Message from IWC's CEO

Rooted in responsible investing and leading the way into new regulations

Founded in 1991 in the wake of the 1987 Bruntland Report and just before the 1992 Rio conference, IWC's investment philosophy has always been grounded in sustainability.

Most recently, we have focused on developing and providing services on three aspects that are increasingly becoming important to our clients: the EU Regulations, the Task Force on Climate-Related Financial Disclosures (TCFD), and the Greenhouse Gas (GHG) Protocol.

EU Regulation

Since the European Commission released the Action Plan for Financing Sustainable Growth in 2018, different regulations have been agreed and entered into force. Among the various regulatory developments, the EU Taxonomy and the Sustainable Finance Disclosure Directive (SFDR) together with the Regulatory Technical Standards are clearly the cornerstones of the European sustainable finance framework.

The EU Taxonomy regulation entered into force in July 2020 and establishes six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems.

A prime objective is typically selected, and "do no significant harm" must be proven for the other five objectives, together with the respect of the "minimum safeguards".

In addition, the SFDR Level 1 requirements came into effect in March 2021, and Level 2 in January 2023.

According to the SFDR, to adhere to article 6, which is the basis for all investments, you have to (i) disclose adverse impacts of investments decisions on sustainability factors, (ii) consider sustainability risk in investment processes, and (iii) provide sustainability information with respect to financial products. If your product is classified as article 8 or 9, further disclosures are required.

The governance in relation to both the Taxonomy and SFDR is still in the making and the regulatory environment is not finalized yet, but already binding. For this reason, at IWC, we take pride in being on the forefront in understanding and implementing the new regulation in our clients' investments.

Task Force on Climate-Related Financial Disclosures

Aside of the EU regulation, many investors are supporting the TCFD introduced by The Financial Stability Board in 2017. The TCFD framework helps companies prepare for climate change impacts, and helps investors understand risks so they can make more informed investment decisions. For example, we have in the past few years internally performed climate change analyses on some existing portfolios and new assets, reporting findings to investors.

Greenhouse Gas Protocol

The GHG Protocol is the most widely used global standardized framework for accounting and reporting GHG emissions. IWC has participated in the pilot-testing of the latest draft of the Land Sector and Removals Guidance and produced a GHG and carbon report for different assets. IWC will amend its current framework to be based on the Guidance once finalized.

Collaboration is key

Working with selected partners worldwide for over three decades, we know that only by collaborating and sharing best practices will we be able to progress as an industry and continue to make a positive impact on nature. We are proud to take on a proactive role in this regard.

In this line, IWC's upcoming partnership with BNP Paribas Asset Management will strengthen our ability to fulfil clients' needs and expectations in relation to ESG and allow us to continue to be the preferred European-based global natural capital expert.

We look forward to further growing the nature-based solutions universe together and to contributing to the transition to a sustainable world.

Otto Reventlow

Otto Reventlow

CEO of the IWC Group

IWC's approach to sustainability

Forestry and agriculture role in today's most critical challenges

Sustainable forestry is one of the most cost-effective and readily-available solutions to curb climate change and its benefits for the society go beyond mitigation. Indeed, forests not only help in stabilizing the global climate by sequestrating carbon and substituting carbon-intensive materials and resources, forests also provide other critical services, including water filtration, flood buffering, healthy soils, erosion protection, biodiversity habitats, economic opportunities for local communities, and recreational possibilities.

Agriculture is central for food security, has high economic and social importance, and it will increasingly play a role in tackling climate change. Efficient, sustainable agriculture can produce more on less land, improve soil health and water quality, reduce resource usage and GHG emissions, and protect biodiversity.

Responsible land use and land stewardship is therefore crucial for the global aspiration of reducing greenhouse gas emissions, halting or even reversing biodiversity loss, providing clean water, producing responsibly, and abolishing hunger.

Afforestation, reforestation, restoration of degraded land, sustainable forestry, and sustainable agriculture are nature-based solutions that are feasible, readily-available, deployable at scale, and considered sustainable economic activities with critical co-benefits and sustainable intrinsic nature.

IWC continues to witness an increasing number of investors pledging and undertaking actions toward reducing carbon emissions, halting biodiversity loss, or taking an active part in the circular economy. In a similar, reinforcing trend, we also note regulators putting forward ambitious frameworks to channel funds into green investments and increase ESG integration. As a result, we see the current market for natural capital expanding and new type of investors and managers entering the space.

It is deeply rooted in our DNA to carry out all investments in a manner that is socially responsible and environmentally sound, based on a rigorous ESG framework. During our 32 years of experience, we have seen time and time again the effects ESG matters can have on an investment performance, and the positive impact that responsible investment principles can have on the broader society. We are thrilled to partake in answering some of today's most critical challenges as we continue to promote sustainable forestry and sustainable agriculture, and fulfil our clients' requirements, both in our roles as investment manager and investment advisor.

IWC's ESG engagement and framework

IWC is committed to the principles governing socially responsible investing and sustainable management of natural resources.

In IWC's view, environmental, social, and governance factors affect an organization's bottom line and success, its natural and social capital, and a variety of habitats, communities, and stakeholders directly or indirectly related to the organizational activities. That is why IWC is carrying socially responsible and environmentally sound investments in sustainable forestry, sustainable agriculture, and ecosystems restoration, and is considering ESG matters together with investments' financial viability.

To us, integrating ESG criteria into IWC's investment due diligence, management, and monitoring processes, including climate-related risks and opportunities, land and resource rights, and any other environmental, social, and governance factors, is a blueprint for sustainable investments. Therefore, the ESG mindset has materialized in policies and procedures over time, distinguishing between different markets, types of investment, and level of control.

Also, we strive to obtain the most appropriate, recognized third-party forest certification for all forestry investments or forestry activities under our advice or management, and agriculture investments (now only in Europe) are being conducted with high emphasis on social, environmental, and resource management matters.

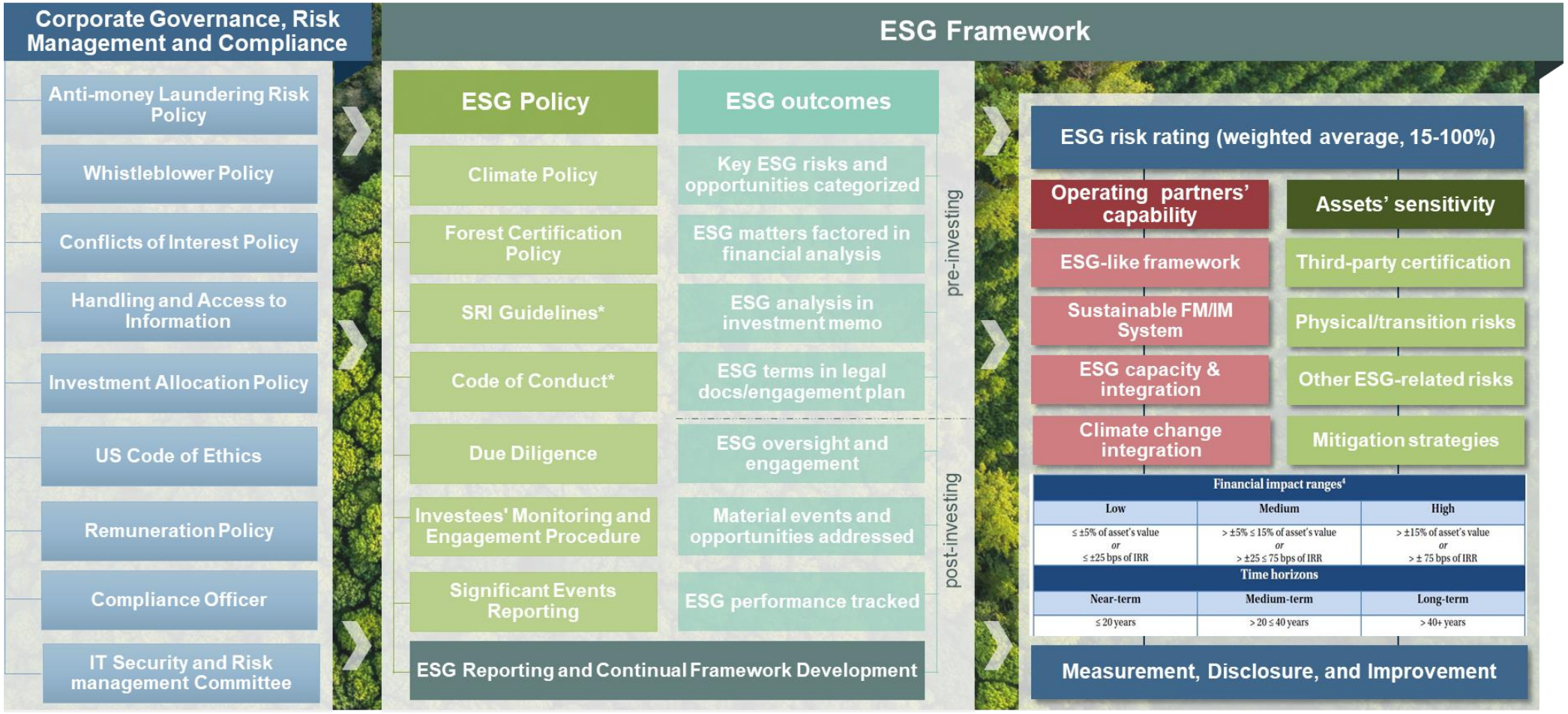
IWC's core principles and values are inspired by accredited international principles, guidelines, and standards. Some of these are the International Finance Corporation's Performance Standards on Social and Environmental Sustainability, the Organization for Economic Development and Cooperation's Guidelines for Multinational Enterprises, the United Nations Global Compact's 10 Principles, the United Nations Guiding Principles on Business and Human Rights, the Recommendations of the Task Force on Climate-related Financial Disclosures, etc.

As IWC endeavors to play an active role in our field, we are a signatory of the United Nations Principles for Responsible Investment (UNPRI) and the Danish Sustainable Investment Forum (DanSIF), a member of the Forest Stewardship Council (FSC), a participant in the Programme for Endorsement of Forest Certification (PEFC) stakeholder consultation forum, and a forum member of the Task Force on Nature-related Financial Disclosure (TNFD).

Furthermore, from a governance and compliance perspective, IWC Investment Partners A/S is AIFMD authorized and a registered advisor with the US SEC.

PRI Principles for Responsible Investment · Dansif · FSC · PEFC · TNFD · Finanstilsynet

Although sustainability has always been a core investment belief and approach, IWC's ESG framework has developed substantially over the past few years in an anticipation of, and response to, regulatory and market trends. IWC's corporate governance and ESG framework is illustrated below.



Financial impact and time horizons framework is currently under development.

ESG monitoring

IWC integrates ESG, including climate-related risks and opportunities, land and resource rights, and other environmental, social, and governance factors, into investment due diligence, asset management, and/or ongoing oversight.

This is done in a systematic manner as we believe that doing so will not only decrease relative risk, it may also create value. Our monitoring process is characterized by five steps – Identify, Assess, Prioritize, Prevent & Mitigate, Review – and is reiterative.

IWC defines three ESG risk categories related to assets' ESG sensitivity – low, medium, and high – and three ESG categories related to our partners' ESG capability – outstanding, good, and to improve. Categorization is based on IWC's investment teams' assessment of several factors: geography, land ownership, investment and partner historical performance, asset characteristics, local industry reputation, compliance with ESG-relevant norms, and ESG policies, procedures and practices at investees, among others.

Low-risk investments would require IWC's standard monitoring and involvement, whereas medium and high-risk investments or materialized ESG risks would set forth an engagement plan with the relevant local partner, targeting areas for development or the remediation of a materialized adverse (significant) event.

Should a significant event materialize, including that of an ESG matter, an internal procedure for classifying and managing it is triggered. The event may be of informational character, of medium, or of high significance, and could pertain to the investment vehicle, partner, or property. The period of intervention varies depending on the magnitude (scope, scale, and irremediableness) of the adverse event (development area) and the consensus with relevant stakeholders.

On a continuous basis, monitoring is carried via property visits, regular verbal and written communication with our service providers, and our annual ESG data gathering and analysis process.

ESG initiatives

ESG is becoming more central every year, and we very much enjoy working with this challenging, yet rewarding topic. In order to continue to be at the forefront in the natural capital industry, we have recently added dedicated ESG resources in each our timberland teams. That being said, it is important to stress that everybody at IWC is involved, at different levels, with the sustainability of our clients' investments.

IWC continues to run a number of projects, either on an individual investment team basis or via cross-team collaborations, all aiming at improving IWC's ESG integration and value creation across services and products we offer to our clients. Some examples, with latest status, are:

- **EU Taxonomy**: IWC conducted a "Taxonomy & Forestry" study in 2022 on over 600,000 hectares worldwide valued above USD 2 billion and we are now implementing our taxonomy alignment framework on selected advisory clients' portfolio and discussing with our partners potential next steps.
- **SFDR Article 9**: Finalization of Article 9 Framework for forestry investments and forthcoming integration on selected advisory clients' portfolio.
- **Climate change research**: Regional historic and forward-looking climate, forest disturbances, and growth review under different scenarios and timeframes (1986 to 2100); increased resources; implementation of IWC's "Chronic Climate Change Tool"; advanced geographical analysis and machine learning techniques.
- **GHG Protocol**: Completed the pilot test of latest draft of the Land Sector and Removals Guidance, provided feedback, adjusted partially carbon metrics, and now in 2022 for the first time analyzed IWC's corporate GHG accounting.
- **Biodiversity**: Identifying relevant metrics, improving monitoring, and assessing risks and opportunities.
- **Social impact**: Continuing to identify relevant metrics, improving monitoring, and requesting pertinent data.
- **Satellite remote sensing analysis**: Two projects concluded, and now assessing the benefits.
- **Forward-looking carbon modelling**: Implementation on new and existing timberland assets.
- **TNFD**: Forum membership and contribution to the framework's beta version.
- **PRI**: Signatory and contributor to forestry-related EU regulatory consultations.

In focus:
EU Taxonomy and forestry

In the complex and expanding universe of sustainable investing, with an increasing number of initiatives, frameworks, and methodologies, the development of the EU Taxonomy for Sustainable Investments represents an important milestone for financial markets. Indeed, since 2022 and especially after the SFDR disclosure requirements entered into force, the Taxonomy has been increasingly used as reference framework by investors.

Although still limited in scope, the regulation sets the foundations of sustainable investing and, as it evolves, it will broaden the alignment opportunities for all kind of activities benefitting sustainable development. For this reason, IWC welcomes this European effort to direct financial flows towards sustainable activities.

For the forestry sector, the Taxonomy is a key opportunity as it highlights the sector's essential contribution to climate and biodiversity goals. It also provides consistency in assessing investments' ESG features. However, the benefits of the regulation go beyond showcasing and benchmarking. At IWC, we see the regulatory criteria as source of both key risk mitigants and best management practices, including, among others, the mandatory climate change assessment and the consequent deployment of climate adaptation solutions, the biodiversity protection practices, the social and governance considerations, and the soil protection and forest health enhancement activities. Hence, from the onset, IWC has proactively embraced the regulation.

As a first step, IWC conducted an extensive study comprising 600,000 hectares over four continents, a portfolio valued over USD 2 billion. One of the main conclusions was the current non-alignment of forestry investments to the Taxonomy requirements. While the result could seem negative and worrying, the main explanation was the lack of specific frameworks, analysis and documentation to fulfill the requirements. Hence, IWC realized another opportunity: developing such necessary tools and documents to support and proof the taxonomy alignment.

In this regard, IWC has developed a taxonomy-alignment framework and procedure which include in-house tools based on a variety of scientific data, such as the Hazard Materiality Matrix to screen 29 different climate hazards, three different climate impact models utilizing machine learning techniques – for drought, wildfires, and wind damages – and the Chronic Climate Change Tool which evaluates climate change impacts on 14 variables in relation to temperature and precipitation.

Having developed such framework and tools, IWC is now working on applying them across different products and mandates and is committed to achieve taxonomy-alignment.

In focus: Highly productive farmlands with minimal environmental impact

Agriculture accounts for 11% of the total GHG emissions in the EU*. However, not all emissions are equal. While some emissions directly add to the buildup of atmospheric GHG-stock from using fossil fuels, much of the emissions associated with agriculture are part of a circular system. Crop growth sequesters atmospheric carbon, but unlike forestry which can hold the carbon for a long period, this carbon is reemitted shortly as the crop is consumed.

Still, agriculture has a big gap to close in reducing its climate change impact. The main emission sources are:

- CO_2 from fuel, pesticide and fertilizer use, and from cultivating peatlands
- Methane from livestock digestion
- Nitrous oxide from livestock manure, fertilizer use, and crop residues.

Fortunately, several practices can be implemented to reduce these sources. At IWC we focus on farmland where:

- We avoid peatland cultivation
- We build lasting relationships with talented farmers who achieve high yields per input, leading to low emission intensity and efficient resource use
- We invest where climate-smart technologies are, or can be, implemented. For example, nitrous oxide emissions can be reduced through adequate fertilizer application techniques. Livestock dietary supplements and improved manure management can also drastically reduce methane emissions.
- Bioenergy plants allow farmers to take part in the green energy transition through biogas production, which lowers total methane emissions
- In addition, a healthy crop rotation, using cover crops and improving crop growth, all lead to increased soil carbon sequestration and overall soil heath.

We continuously seek to further leverage these potentials and more across our investors' portfolios.

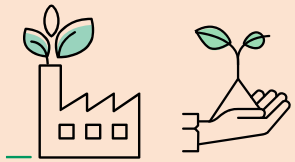
* Source: https://www.eea.europa.eu/data-and-maps/data/data-viewers/greenhouse-gases-viewer.

2022 ESG highlights

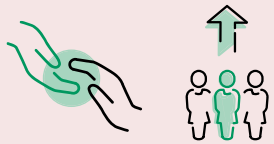
- 820,000 hectares of sustainable productive forests
- 255,700 hectares of protected areas
- 400 species protected
- 30,874,000 newly planted trees in 2022
- 31 main tree species actively sustainably grown

- 217,079,000 tCO_2e stored in forests
- 6,250,000 tCO_2e net sequestration in 2022 = 919,000 EU citizens annual emissions
- 355,000 tCO_2e forestry emissions in 2022
- 1,645,000 tCO_2e stored in harvested wood products (HWP)

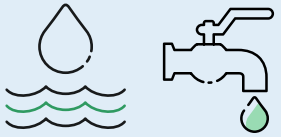
- 10,509,000 m^3 of annual timber growth
- 6,567,000 m^3 of certified timber production in 2022
  - 56% as construction materials = 1,328 houses
  - 43% as paper-related products
  - 1% as other uses



- 1,731 people directly employed by our partners
- 27% of employees are female
- 171 new employees in 2022
- 38% of new employees are female



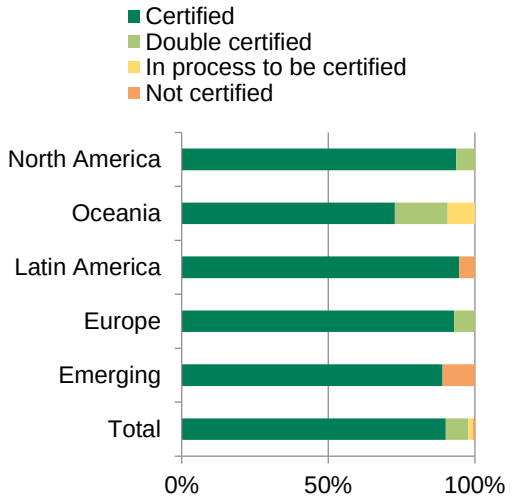
- 15,810 hectares of watersheds protected
- 3,620 km of streams protected
- 5,000 hectares of wetlands restored
- 123 km of streams restored
- 1,840 tons of excess nutrients & sediments captured in watersheds



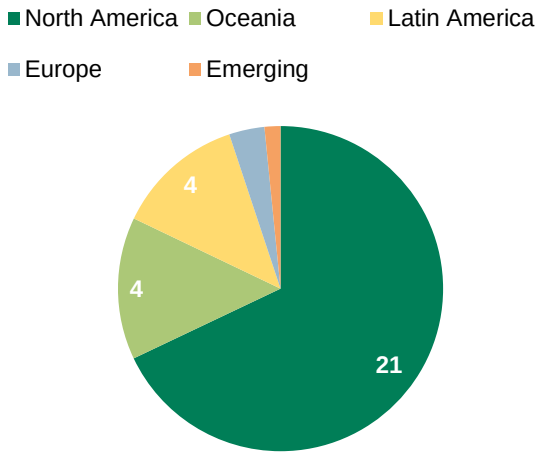
- 4,800 ha of productive farmland
- 27,800 people's calories intake p.a.
- 17% organically farmed
- 5% of low-till practice
- 22 different crops grown

Sustainable forestry

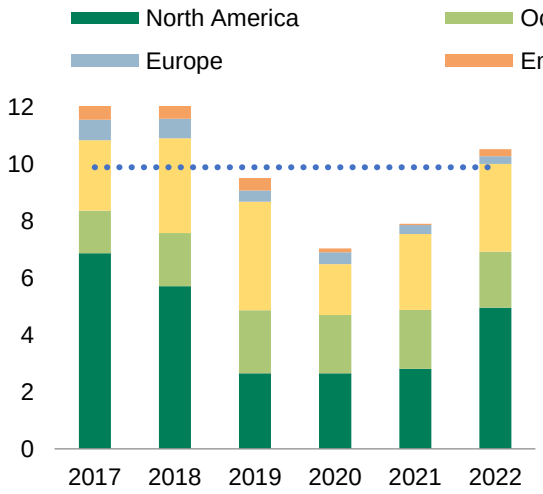
Forest certification status (% of area)



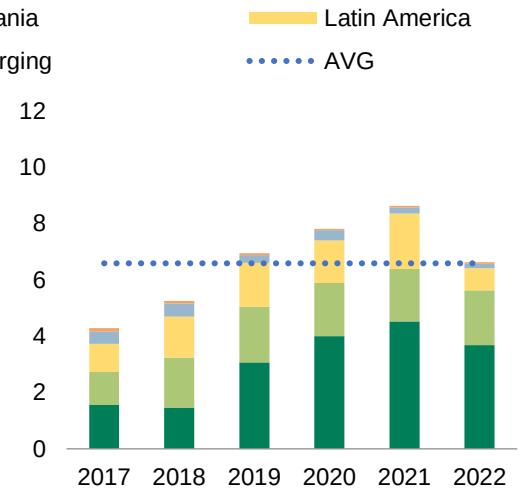
Trees planted in 2022 (million)



Annual timber growth (million m³)[1]



Annual timber harvest (million m³)[1]



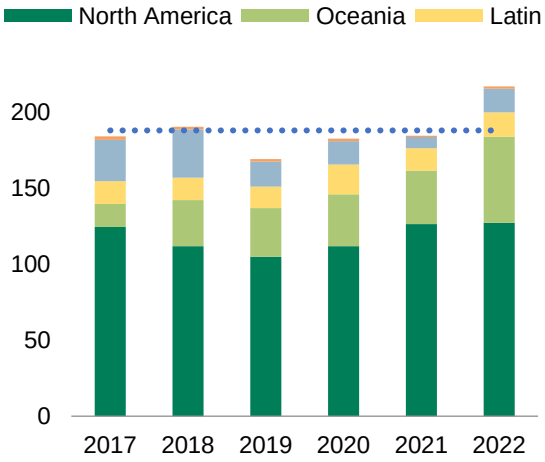
Commentaries

- Several assets in North America, Latin, and Oceania completed certification in 2022 and currently 98% of the IWC portfolio is certified.
- Recently, in Oceania, one large asset in process to be certified asset was included in the portfolio.
- Not certified assets in Latin America and Emerging countries are in divestment phase.
- More than 30 million trees were planted in 2022.
- Cumulative growth has significantly exceeded removal – around 3:2 cubic meters. This is a major reason for the positive carbon sequestration over the year.
- The largest difference between growth and harvest has been registered in North and Latin America.
- 2021 extensive harvest in some specific assets did not continue into the next year. In most of those, harvest has been minimal in 2022, in line with sustainable management practices post harvest.

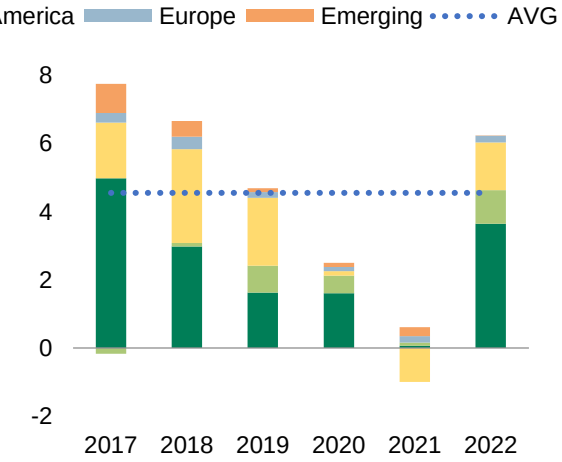
1. Timber growth and timber harvest mostly consider merchantable timber. Hence, total forest growth is likely underestimated.

Carbon accounting

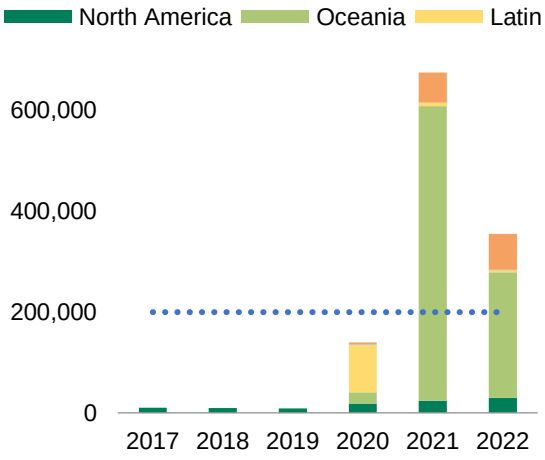
Carbon stock ($MtCO_2e$)



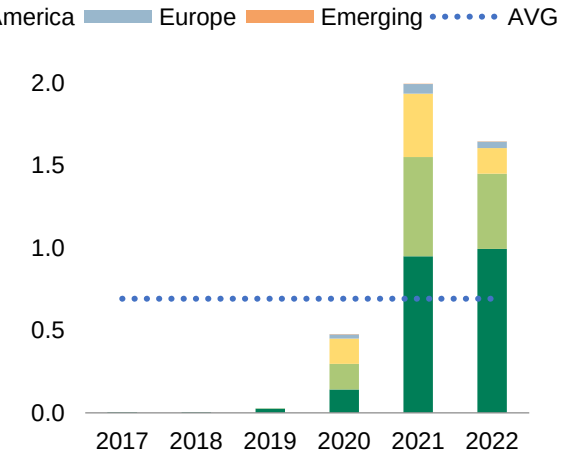
Annual sequestration ($MtCO_2e$)



Forestry emissions (tCO_2e)



Carbon stored in HWP ($MtCO_2e$)



Commentaries

- Total carbon stock in forests managed and advised by IWC exceeded 200 million tons.
- Assets in Oceania are the main contributor to the increase from 2021 carbon stock. Main reasons are the addition of assets in the region and improved GHG accounting methodologies, together with growth significantly higher than harvest in some properties in the region.
- Overall, positive net annual sequestration, in line with IWC historical average, resulting from growth being larger than harvest in all the regions.
- Afforestation projects keep being a major source of net sequestration.
- Biological growth is the main contributor to the net annual sequestration, but carbon stored in harvested wood products is significant – the relationship being around 3:1 tons sequestered in each pool.
- Emissions and carbon stored in HWP data improved in quality compared to previous years, but estimates are still not available for all assets nor for all years. Lower emissions in 2022 are related to reduced harvest operations.

Methodology:

- Where direct carbon metrics have not been provided by our partners, IWC utilized in-house methodology based on the IPCC Guidelines for National GHG Inventories and regional data for estimation.

- Biological sequestration is based on stock change accounting.

- Annual sequestration is biological sequestration minus emissions, plus carbon stored long-term (100-years) in harvested wood products.

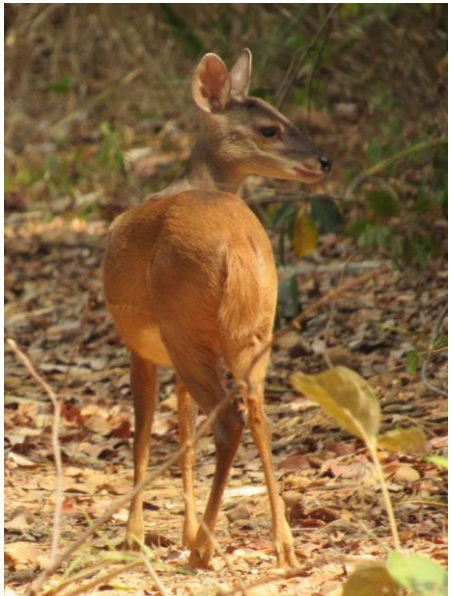
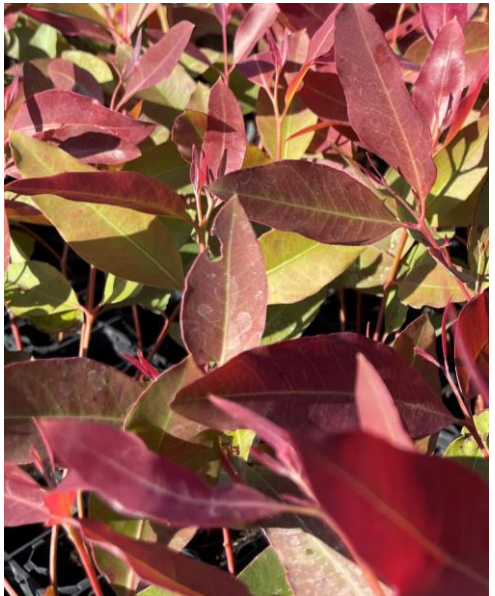
- IWC controls the provided GHG and carbon metrics to assess comparability between funds – in some cases metrics are amended.





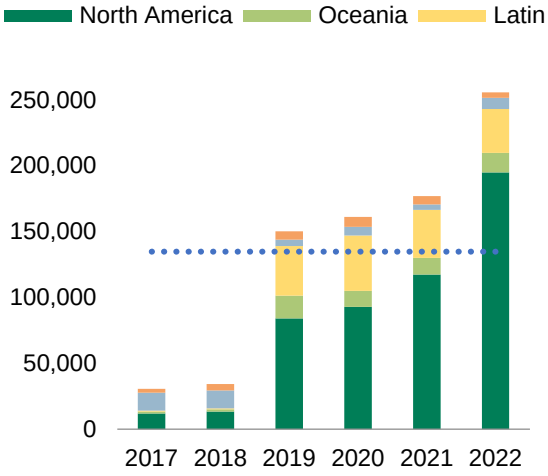




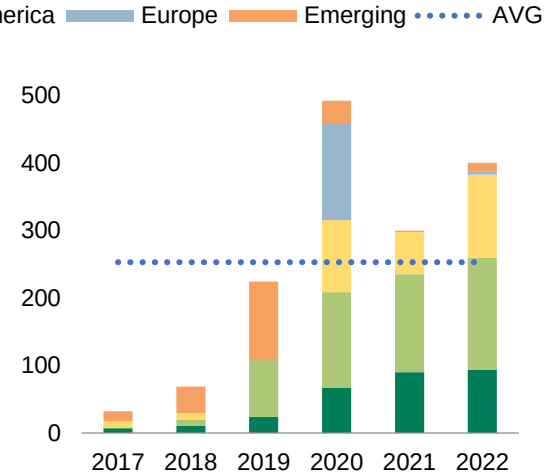



Biodiversity and protected areas

Protected forest areas (ha)



Protected species



Commentaries

- Areas are protected by different mechanisms across the portfolio. Set aside in relation to certification requirements is the most common reason of land protection.
- National and local regulations protecting land also significantly contribute to the areas set aside and are, in some cases, interrelated with certification requirements.
- Protected areas keep increasing at portfolio level. Effect of divestments is limited as recent assets included in the portfolio have large conservation areas.
- The drop in protected species from 2020 to 2021 is a consequence of divestments, especially from one large investment in Europe.
- Increasing scrutiny by IWC over biodiversity metrics for 2022 led to improved understanding of biodiversity characteristics of the assets. For example: lists of investment-specific endangered and protected species are being collected and morphological features of protected areas are increasingly understood. Over time, IWC intends to provide more granular biodiversity metrics.
- Some significant changes in the extent of protected areas at asset level occurred due to methodological refinements or reassessment.

IUCN Red List

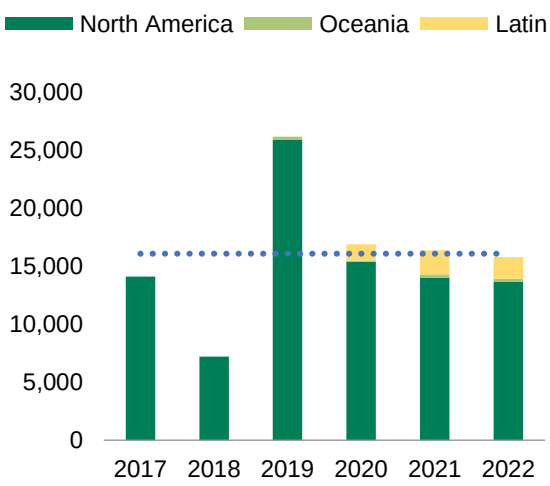
Lowland Tapir (*Tapirus terrestris*): is the largest surviving native terrestrial mammal in the Amazon and listed as “Vulnerable” because of its habit destruction and illegal hunting.

Monkey Puzzle (*Araucaria Araucana*): is an endemic tree species from central to southern Chile and western Argentina, called “living fossil” due to its long prevalence

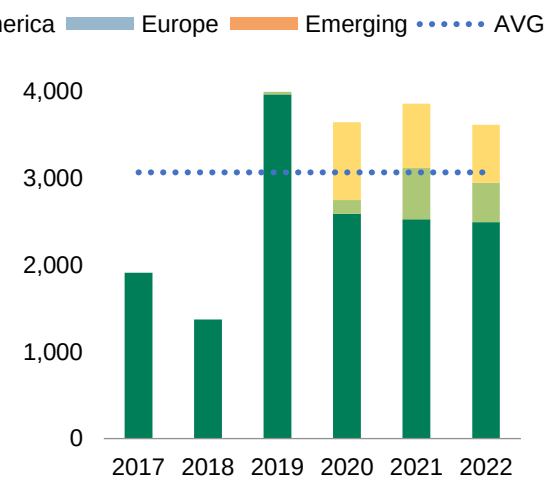
Gang Gang Cockatoo (*Callocephalon fimbriatum*): is endemic to coastal regions of south-eastern Australia, found in the cooler and wetter forests and listed as “Vulnerable” on the IUCN Red List due to the loss of older, hollow trees.

Watersheds protection and restoration

Protected watersheds in forests (ha)



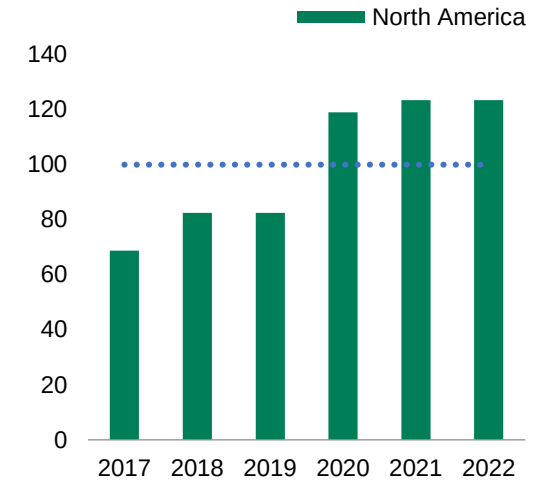
Protected streams in forests (km)



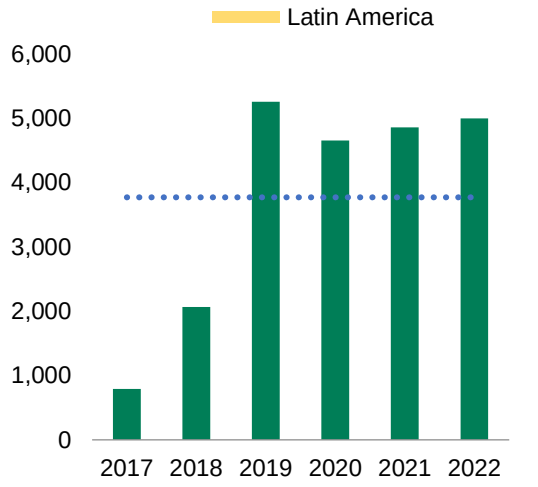
Commentaries

- Forested watersheds include various water sources. Protection of water is key for environmentally sustainable water supply, ecosystem functioning, biodiversity, and forest health.
- Specific protection of water resources is an important feature of North American certification systems and regulations.
- It is IWC's intention to increase scrutiny over water-related features of the forests as critical elements in the landscapes and provide more granular metrics over the coming years.

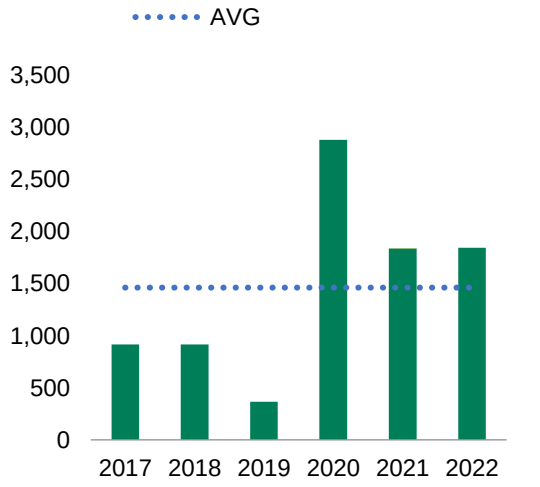
Restored and protected streams (km)[1]



Restored and protected wetlands (ha)[1]



Nutrients & sediments captured (Kt)[1]



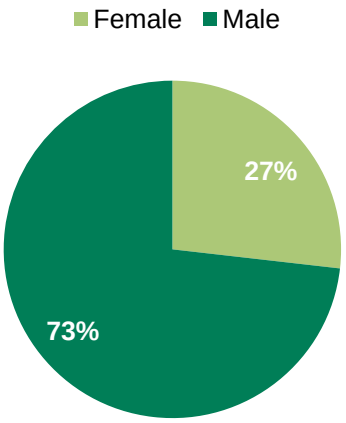
1. Restored and protected streams and wetlands, as well as nutrients and sediments captured in North America relates to restoration projects and mitigation banks. A few forest projects in Latin America account for nutrients and sediments captured in 2021 and 2022.

Employment and gender equality

Commentaries

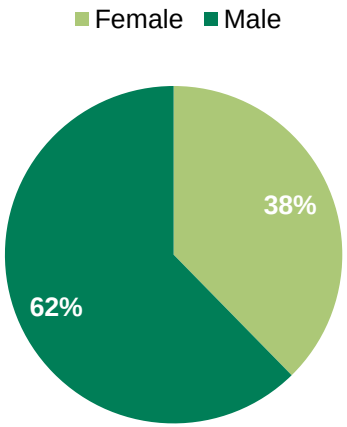
- IWC monitored and collected social data on the investments over the years. However, we decided to not publicly disclose any metrics before thorough revision.
- For the first time, employment data are publicly disclosed to showcase the direct social impact of the investments.
- More than 1,700 are directly employed by our partners. However, this number significantly understates the amount of people working in the forests, which include many contractors and seasonal workers, and consequently the economic impact of the activities.
- Male employees are the majority; however, numbers for new hires seem to indicate a potential increase in female's share of the employment.
- IWC aims at increasing the number of disclosed social metrics, considering for example health and safety (H&S) measures and key performance indicators, engagement initiatives with local communities, and indirect employment.

2022 direct employees of our partners



1,731 total direct employees

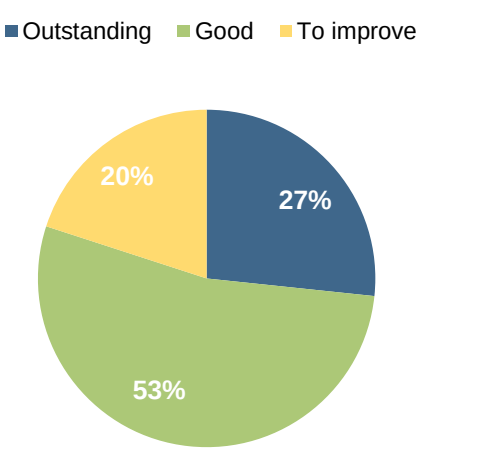
New employees hired in 2022



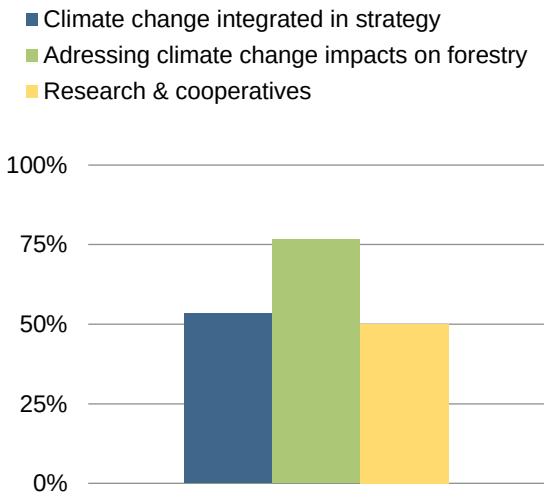
171 new hires in 2022

ESG & climate change integration of our timberland partners

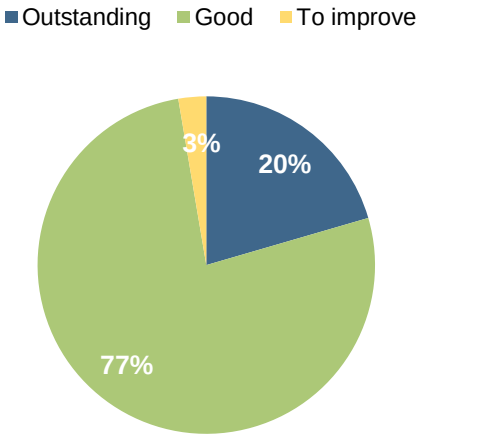
ESG integration (% partners)



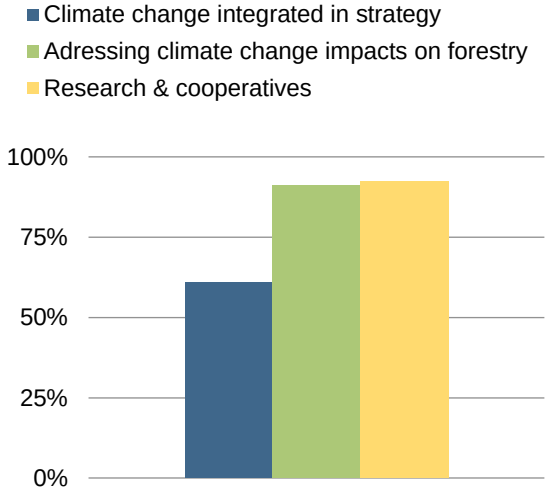
Climate change (% partners)



ESG integration (% NAV)



Climate change (% NAV)

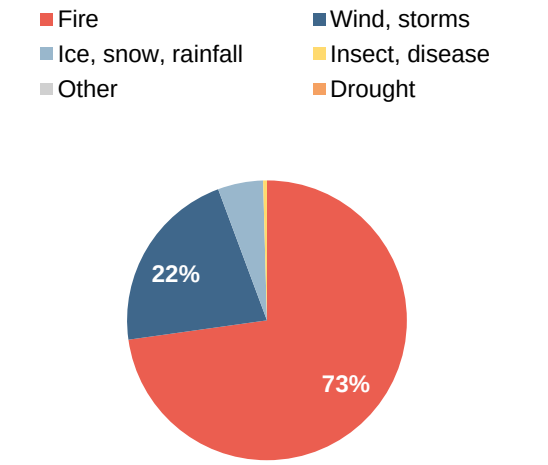


Commentaries

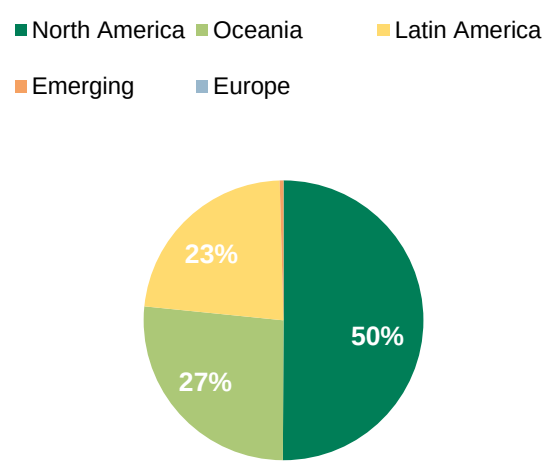
- ESG integration assessment is based on several items: consideration of climate change, biodiversity, social dynamics, job security and H&S, governance structure, policies and procedures in place, and data quality of our partners.
- ESG integration is assessed based on the partners' internal capabilities and resources. The assessment is a combination of both qualitative and quantitative analysis.
- ESG and climate change integration assessment of the partners is conducted every year.
- The majority of our partners have "Good" to "Outstanding" ESG integration. The "To improve" rating is mostly related to the lack of ESG dedicated staff and procedures and data quality.
- Partners' ESG capabilities are improving over time.
- Climate change integration scores for some of the partners were changed, resulting in an overall reduction in the scores. However, the main reason for the new values of the metrics is a different portfolio allocation from 2021.

Physical impacts on forestry assets

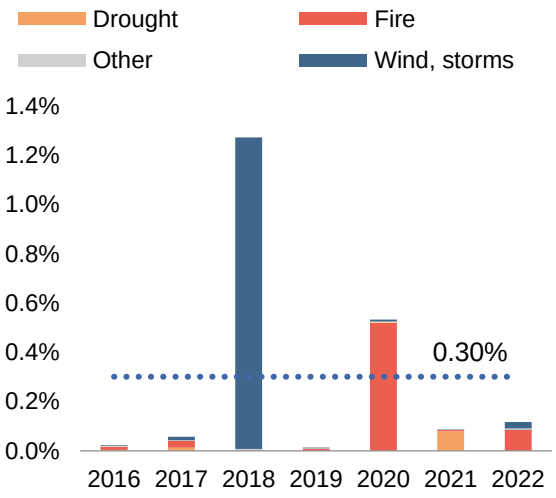
2022 net value loss per peril



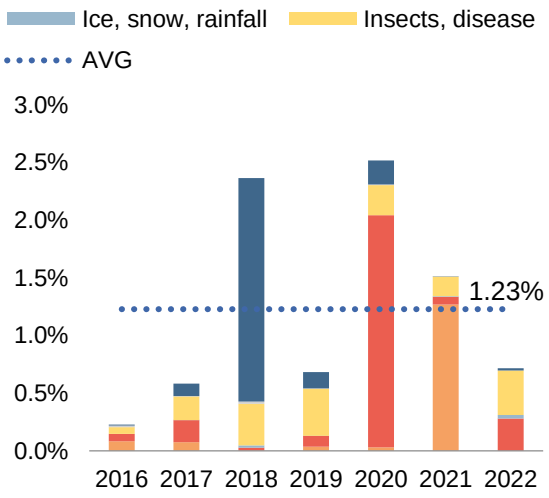
2022 net value loss per region



Historical value net loss



Historical area impacted



Commentaries

- In 2022, natural disturbances impacted 0.12% of the total portfolio value – below the historical annual average. Consequently, average annual financial impact fells by 3 bps to 0.30%.
- Similarly, area impacted in 2022 totaled 0.73%, reducing historical average impact by 12 bps to 1.23%.
- Damages in four assets account for 79% of the total financial loss in 2022.
- Wildfires have been the main source of financial loss across IWC's clients' portfolio in 2022, contributing to 73% of the total loss. North America, Oceania, and Latin America have all been affected by fire damages.
- Storm damages from wind, ice, snow and rainfall only impacted Latin America and Oceania.
- Insects and diseases, which in terms of area have been the most significant disturbance, impacted a single investment in emerging markets. However, the resulting financial loss was limited.
- While insurance covered some of the annual losses, active forest management, portfolio diversification, and climate change integration remain the main mitigation tools.

Agriculture 2022 ESG highlights

ESG dashboard for agriculture investments

- 4,800 ha of productive farmland
- 27,800 people's calories intake p.a.
- 17% organically farmed
- 5% of low-till practice
- 22 different crops grown.

First implementations of farm level sustainability plan

- Nature quality assessment to identify biodiversity projects
- Tracking of all agricultural inputs and outputs on field level to prepare impact and emission accounting
- Advanced soil sampling and mapping - enables precision farming and allows for soil carbon tracking
- Addition of more nature areas and optimizing field shape efficiency.

Completion of a large farmland drainage project

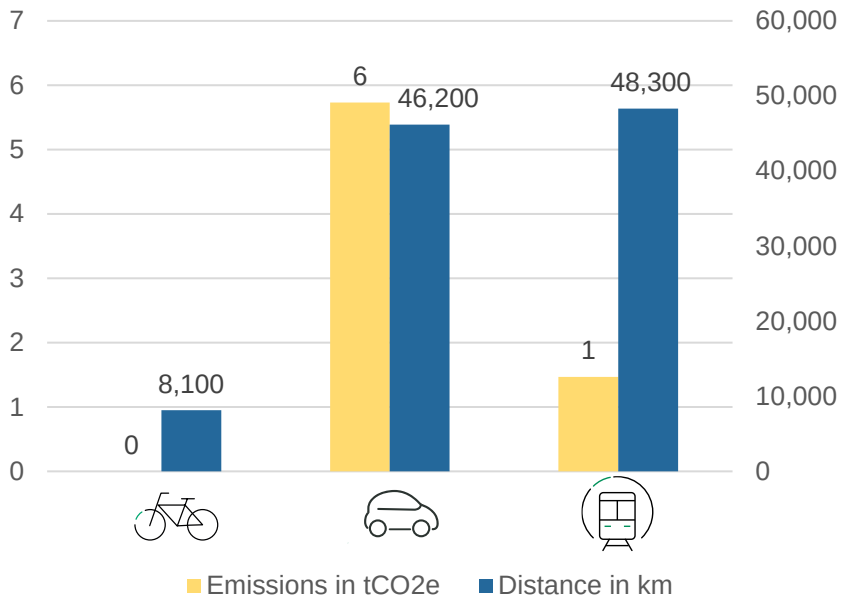
- Installed in-soil drainage pipes to reduce risk of field flooding from heavy rain fall
- Increases field productivity
- Increases climate change resilience/adaptation
- This lowers the farmers risk and substantially increases farm long term value.

IWC's internal greenhouse gas account

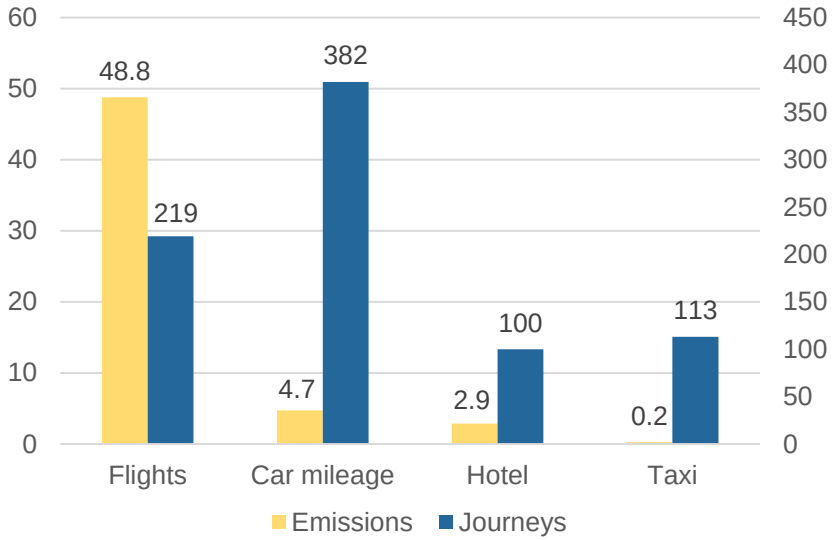
Emissions in tons of CO_2 equivalent

	Emission source	2022	2021[1]
Scope 1	-	-	-
Scope 2	Electricity/heating	44.8	-
Scope 3	Forestry operations	253.0	288.7
	Business travel	48.6	12.4
	Commuting	7.2	4.5
	Food	26.0	-
	Home office	3.8	-
	Other emissions	1.6	9.91
Gross emissions		**385.0**	**315.8**
Gross sequestration from own investments		**7,999.0**	**3,270.5**

Total commuting emissions (tCO_2) & distance (km, rhs)



Total travel emissions (tCO_2) & number of journeys (rhs)



Disclaimer & methodology

- The greenhouse gas account is oriented on the GHG Protocol; however, it does not claim to be aligned this year.
- Gross sequestration has been calculated based on the direct equity invested by IWC in forestry assets.
- Emissions have been accounted for with direct data wherever possible, as well as with specific calculators[2] and with emission factors from the UNFCCC secretariat[3] otherwise.
- Estimates have been calculated based on random sampling when no primary data could be collected.
- Due to the complexity of a company GHG account, it is probable that individual (but relatively small) items have been omitted. Therefore, the emissions are potentially slightly understated.

IWC conducted a GHG accounting for the first time in 2022

Even though the company is already carbon negative, the account helps identify saving potential and consider next steps

1. 2021 numbers are not as accurate as 2022 numbers and are only indicators of how the account likely looked.
2. https://applications.icao.int/icec flight calculator.
3. https://unfccc.int/documents/271269.

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