



IWC Evergreen Timberland Partners III K/S

Scherfigsvej 10, st. th
2100 Copenhagen Ø
CVR No. 43083597

Annual report 2024

The Annual General Meeting adopted the
annual report on 02.06.2025

Thomas Bentzen
Chairman of the General Meeting

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Entity details

Entity

IWC Evergreen Timberland Partners III K/S
Scherfigsvej 10, st. th
2100 Copenhagen Ø

Business Registration No.: 43083597
Date of foundation: 25.02.2022
Registered office: Copenhagen
Financial year: 01.01.2024 - 31.12.2024

Executive Board in IWC Evergreen III GP ApS

Thomas Bentzen
Morten Stadil
Søren Damgaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of IWC Evergreen Timberland Partners III K/S for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Furthermore, the supplementary report has been prepared in accordance with the Sustainable Finance Disclosure Regulation (Disclosure Regulation), and in our opinion, it contains a true and fair account of the matters addressed in the report.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 14.05.2025

On behalf of IWC Evergreen III GP ApS

Thomas Bentzen

Morten Stadil

Søren Damgaard

Independent auditor's report

To the shareholders of IWC Evergreen Timberland Partners III K/S

Opinion

We have audited the financial statements of IWC Evergreen Timberland Partners III K/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary, as well as for the supplementary report on disclosures in accordance with the Sustainable Finance Disclosure Regulation (SFDR), hereinafter referred to as "the supplementary report".

Our opinion on the financial statements does not cover the management commentary or the supplementary report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and the supplementary report and, in doing so, consider whether the management commentary and the supplementary report is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary and the supplementary report provides the information required under the Danish Financial Statements Act and the Sustainable Finance Disclosure Regulation respectively.

Based on the work we have performed, we conclude that the management commentary and the supplementary report is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the Sustainable Finance Disclosure Regulation respectively. We did not identify any material misstatement of the management commentary or the supplementary report.

Copenhagen, 14.05.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Rasmus Grynderup Kiær Steffensen

State Authorised Public Accountant
Identification No (MNE) mne44143

Management commentary

Primary activities

IWC Evergreen Timberland Partners III K/S was established in 2022. The purpose of the Company is to carry out long term sustainable forestry investments in established markets.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2024

	Notes	2024 USD	2023 USD
Other external expenses		(385,001)	(346,762)
Gross profit/loss		(385,001)	(346,762)
Income from investments in group enterprises		1,339,213	1,660,848
Other financial income	1	1,646,993	1,657,707
Other financial expenses		0	(92)
Profit/loss for the year		2,601,205	2,971,701
Proposed distribution of profit and loss:			
Retained earnings		2,601,205	2,971,701
Proposed distribution of profit and loss		2,601,205	2,971,701

Balance sheet at 31.12.2024

Assets

	Notes	2024 USD	2023 USD
Investments in group enterprises		7,463,596	6,674,768
Receivables from group enterprises		16,035,000	16,035,000
Financial assets	2	23,498,596	22,709,768
Fixed assets		23,498,596	22,709,768
Receivables from group enterprises		852,517	1,342,736
Receivables		852,517	1,342,736
Cash		71,445	84,046
Current assets		923,962	1,426,782
Assets		24,422,558	24,136,550

Equity and liabilities

	Notes	2024 USD	2023 USD
Contributed capital		21,600,000	21,600,000
Distributions		(2,616,800)	(160,000)
Retained earnings		5,117,716	2,516,511
Equity		24,100,916	23,956,511
Payables to group enterprises		0	1,022
Other payables		321,642	179,017
Current liabilities other than provisions		321,642	180,039
Liabilities other than provisions		321,642	180,039
Equity and liabilities		24,422,558	24,136,550
Employees	3		
Contingent liabilities	4		

Statement of changes in equity for 2024

	Contributed capital USD	Distributions USD	Retained earnings USD	Total USD
Equity beginning of year	21,600,000	(160,000)	2,516,511	23,956,511
Ordinary distributions	0	(2,456,800)	0	(2,456,800)
Profit/loss for the year	0	0	2,601,205	2,601,205
Equity end of year	21,600,000	(2,616,800)	5,117,716	24,100,916

The Limited Partners have committed themselves to contributing up to USD 22,222 thousand into the Fund, when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Limited Partners have paid-in net USD 21,600 thousand at 31.12.2024, and the remaining contribution balance is USD 1,572 thousand, due to recallable distributions of USD 950 thousand.

Notes

1 Other financial income

	2024	2023
	USD	USD
Financial income from group enterprises	1,637,514	1,652,039
Other interest income	9,479	5,668
	1,646,993	1,657,707

2 Financial assets

	Investments in group enterprises USD	Receivables from group enterprises USD
Cost beginning of year	5,345,000	16,035,000
Cost end of year	5,345,000	16,035,000
Revaluations beginning of year	1,329,768	0
Share of profit/loss for the year	1,339,213	0
Other adjustments	(550,385)	0
Revaluations end of year	2,118,596	0
Carrying amount end of year	7,463,596	16,035,000

3 Employees

The Company has no employees.

Management has not received remuneration.

4 Contingent liabilities

The Entity holds no outstanding guarantees or contingent liabilities as of 31 December 2024.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

The annual report for the company is presented in its functional currency, USD. Applied USD v/ DKK exchange rate at balance sheet date is 7.14 (2023: 6.75).

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including management fee, general partner fee, audit fee, etc.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses.

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intragroup profits or losses.

Group enterprises with negative equity value are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable.

If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Supplementary reports

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: IWC Evergreen Timberland Partners III K/S

Legal entity identifier: CVR 43083597

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<p><input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 98%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made sustainable investments with a social objective: 0%</p>	<p><input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>

To what extent was the sustainable investment objective of this financial product met?



The Fund objective is to manage forests for long-term sustainability outcomes and deliver attractive risk adjusted return through sales of forest products and income from ecosystem services.

As the Fund did not pursue any new investments in 2024, pre-investment processes, relative workstreams and framework obligations, defined in the Fund ESG Framework, were not implemented.

Post-investment obligations, as defined in the Fund ESG Framework, were implemented. Specifically:

- Engagement: annual ESG, SFDR and Taxonomy data collections; annual ESG update; discussions around new acquisitions with different sustainability profiles; discussions around implementation of additional third-party certification; assessment of potential environmental impacts of land sales; activation of the Monitoring and Engagement Procedure.
- Monitoring: annual ESG, SFDR and Taxonomy data collections; quarterly ESG checks; activation of the Monitoring and Engagement Procedure. All relevant indicators were tracked and reported according to the Fund ESG Framework standards.
- Reassessment: the annual reassessment process was conducted and the ESG rating of the asset, specialized timberland manager (TIMO), and investment did not significantly change; activation of the Monitoring and Engagement Procedure.
- Reporting: reporting and disclosures were in line with annual timeline.
- The Significant Event Procedure was not activated.
- No Action Plans were active and needed to be executed or monitored.

The Fund Climate Change Adaptation Procedure is applied to all investments. The Procedure is used to identify costs (opex and capex) that are aligned to the EU Taxonomy criteria for climate adaptation – see 'Taxonomy-alignment of investments' graph in the relative section.

Fulfilment of the Fund ESG Framework sustainable investment definition.

Binding elements	2024 Actions
Investments allow the Fund to achieve its objective of managing forests for long-term sustainability outcomes	The investment was proven in alignment with all the ESG Fund Framework requirements and successfully reported in alignment with SFDR substantial contribution, DNSH, and minimum safeguards requirements
Investments contribute to at least one of the substantial contribution areas (circular economy and pollution reduction, climate change mitigation, and climate change adaptation) and/or with an activity proven sustainable under the EU Taxonomy criteria	The investment contributed to circular economy and pollution reduction, climate change mitigation, and climate change adaptation, and is aligned with Taxonomy criteria for adaptation activities
Investments align with the SFDR DNSH principles	The investment aligned with the SFDR DNSH principles as described in the relative section
Investments meet the Fund good governance principles	The investment met the good governance principles were met

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Investments are sustainably managed (in line with the Fund Sustainable Forestry Position)	SFI was proven to be a reliable certification for sustainable forest management according to the Fund ESG Framework requirements and the investment maintained the third-party SFI certification after the annual evaluation process
Investments are managed in alignment with the Fund ESG Framework requirements	The monitoring processes demonstrated that the investment was operated in line with the Fund ESG Framework requirements

The investment provided substantial contribution to the Fund objective, did not cause significant harm, and all minimum safeguards were in place. Ultimately, the sustainable investment objective of the Fund was successfully pursued in 2024.

● **How did the sustainability indicators perform?**

Area of substantial contribution	Indicator	Performance	
Circular economy and pollution reduction	Sustainable certified harvest by main forest end-product categories	Pine sawtimber	16,000 m ³
		Pine chip-n-saw	12,000 m ³
		Pine pulpwood	13,000 m ³
		Hardwood pulpwood	90 m ³
Climate change mitigation	Annual biological CO2 sequestration (defined as gross annual sequestration excluding harvest)	73,000 tCO2e	
Climate change adaptation	Climate change adaptation aligned capex in USD as defined by the EU Taxonomy	USD 16,000	
	Climate change adaptation aligned opex in USD as defined by the EU Taxonomy	USD 18,000	

● **...and compared to previous periods?**

2024 is the first period of reporting.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

To select only investments that do not significantly harm any environmental or social objectives – DNSH Principle – an assessment of each investment opportunity, as the combination of asset and TIMO, is performed to exclude investments found to cause significant harm. In this respect, the Fund Manager committed to consider principal adverse impacts on sustainability factors by considering indicators for adverse impacts, as defined in SFDR (the “PAI Indicators”), and complies with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The due diligence assessment is based on the information provided by seller, in-house analysis, public records and data layers, and field inspections. The assessment includes considerations around identification, management, and mitigation of potential future harms.

As the Fund did not pursue any new investments in 2024, the pre-investment processes, defined in the Fund ESG Framework, relative workstreams and framework obligations were not implemented.

In the post-investment phase, the four regular and standard actions defined in the Fund ESG Framework – engagement, monitoring, reassessment, and reporting – were successfully conducted and significant harm to investment objectives was not identified. Moreover, the ESG risks in relation to both the asset and the TIMO were monitored and addressed in line with the Monitoring and Engagement Procedure and the Significant Event Reporting Procedure was not triggered as no harm was made to indicators and objectives. Quarterly checks were conducted to control for eventual adverse impacts on the indicators and significant harm to environmental and social objectives.

Ultimately, all elements assessed during due diligence are still in place, the SFDR DNSH Principles were considered met, and PAI unharmed in 2024.

— — — *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund considers 21 PAI Indicators:

1. Greenhouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)
15. Investments in companies without water management policies
16. Exposure to areas of high-water stress
17. Investments in companies without sustainable land/agriculture practices
18. Natural species and protected areas
19. Rate of accidents
20. Number of workdays lost to injuries, accidents, fatalities, or illness
21. Number of cases of severe human rights issues and incidents

As the Fund did not pursue any new investments in 2024, pre-investment processes, relative workstreams and framework obligations, defined in the Fund ESG Framework, including PAI assessment, were not implemented.

In the post-investment phase, the PAI indicators were considered by implementing the monitoring and reassessment actions, defined in the Fund ESG Framework.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Notably, the Fund invest in forest assets which are growing stock and land, and, contrary to companies, have not the capability of hiring staff and managing operations. Therefore, it is contemplated that the Fund Manager, prior to each investment decision, will assess any TIMO hired for the management of the Fund assets.

An assessment of the alignment with OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights is conducted during the due diligence.

As the Fund did not pursue new investments in 2024, pre-investment processes, defined in the Fund ESG Framework, relative workstreams and framework obligations were not implemented.

In the post-investment phase, by implementing the Monitoring and Reassessment actions the TIMO was confirmed in alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights. Specifically, all the relevant policies and processes providing for the alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights were confirmed to be active.



How did this financial product consider principal adverse impacts on sustainability factors?

The materiality of the indicators was assessed during the due diligence process. During due diligence, the practices applied in the investment management were found not adversely impacting any of the relevant factors.

As the Fund did not pursue new investments in 2024 pre-investment processes, defined in the Fund ESG Framework, relative workstreams and framework obligations were not implemented.

The Fund Manager by implementing the engagement, monitoring, reassessment, reporting actions considered principal adverse impacts on sustainability factors by identifying, assessing, and managing negative effects of portfolio investments in line with the Monitoring and Engagement Procedure.

Monitoring systems were effective to control eventual adverse impacts on the indicators, and the Fund's Significant Event Procedure to address and mitigate such events was not triggered.

Indicator	Impact	Explanation	Actions taken, and actions planned and targets set for the next reference period
Scope 1 GHG emissions	41 tCO2e	<p>The direct emissions (fugitive emissions from fertilizer application and N2O and CH4 from managed fire) are considered low and consequently and within the normal activity emissions.</p> <p>2024 carbon flows in the forest:</p> <ul style="list-style-type: none"> • Biological growth of trees resulted in 73,000 tCO2e being captured. • Harvesting of mature trees resulted in extraction of 49,000 tCO2e from the forests. • Data adjustments in the forest inventory resulted in the identification of additional 16,000 tCO2e. • Land sales resulted in the loss of 47,000 tCO2e from the 	<p>The Fund Manager is engaging with the TIMO to appropriately consider and disclose all carbon flows in the forest.</p> <p>The Fund Manager is also actively monitoring Scope 1 data for the TIMO at their company level.</p>

		investment account.	
Scope 2 GHG emissions	0 tCO ₂ e	The investment is in a forest asset without any energy consumption.	The Fund Manager engaged with the TIMO to confirm that the investment does not consume energy. The Fund Manager is actively monitoring energy consumption and relative Scope 2 data for the TIMO at their company level.
Scope 3 GHG emissions	128 tCO ₂ e	The indirect emissions (Category 1: Emissions from in-woods contractors, contractor transportation, and embodied emissions from chemicals and fertilizers; Category 4: Upstream emissions from transportation of delivered wood by third-party contractors) are considered low and consequently and within the normal activity emissions.	The Fund Manager is engaging with the TIMO to assess additional relevant categories. The Fund Manager is also actively monitoring Scope 3 data for the TIMO at their company level.
Total GHG emissions	168 tCO ₂ e	See Scope 1, 2, 3.	See Scope 1, 2, 3.
GHG intensity of investee companies	200 tCO ₂ e / USD million	See Scope 1, 2, 3.	See Scope 1, 2, 3.
Carbon footprint	10 tCO ₂ e / USD million	See Scope 1, 2, 3.	See Scope 1, 2, 3.
Exposure to companies active in the fossil fuel sector	0%	The Fund terms do not allow investment in companies active in the fossil fuel sector.	The Fund Manager engaged with the TIMO to confirm that the investment does not have fossil fuel exposure.
Share of non-renewable energy consumption	0	The investment is in a forest asset without any energy consumption.	The Fund Manager engaged with the TIMO to confirm that the investment

			<p>does not consume energy.</p> <p>The Fund manager is actively monitoring energy consumption data for the TIMO at their company level.</p>
Share of non-renewable energy production	0%	The investment is in a forest asset without any energy production.	The Fund Manager engaged with the TIMO to confirm that the investment does not produce energy.
Energy consumption intensity per high impact climate sector	0%	The investment is in a forest asset without any energy consumption.	The Fund manager is actively monitoring energy consumption data for the TIMO at their company level.
Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive ¹ areas where activities of those investee companies negatively affect those areas	0%	<p>Investment activities did not negatively affect biodiversity-sensitive areas.</p> <p>During due diligence of the investment all biodiversity-sensitive areas were identified. These areas were monitored during the year.</p> <p>The TIMOs policies (e.g. ESG Policy, Environmental Considerations During Silviculture and Harvesting Operations Policy, Road and Skid Trail Management Policy, SFI Policy, Special Sites Policy, Wildlife Habitat Policy) prevent negative effects on those areas.</p> <p>Third party auditors confirmed that the TIMO practices in the</p>	<p>The Fund manager engaged with the TIMO to confirm that biodiversity-sensitive areas were not negatively affected.</p> <p>Moreover, the Fund Manager checked the third party auditors reports to confirm the information received.</p>

¹ Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation 2021/2139

		management of biodiversity sensitive areas were in line with sustainable forestry standards and did not negatively affect those areas.	
Emissions to water	0	<p>The TIMOs policies (e.g. ESG Policy, Environmental Considerations During Silviculture and Harvesting Operations Policy, Road and Skid Trail Management Policy, SFI Policy, Special Sites Policy, Wildlife Habitat Policy) prevent the release of significant emissions to waterbodies and include remediation actions.</p> <p>Third party auditors confirmed that the TIMO practices were in line with sustainable forestry standards and did not produce significant emissions to waterbodies.</p> <p>Use of chemicals and fuels is documented and reported to the Fund Manager.</p>	<p>The Fund manager engaged with the TIMO to confirm that emissions to water did not occur.</p> <p>Moreover, the Fund Manager checked the third party auditors reports to confirm the information received.</p> <p>The Fund Manager is also engaging with the TIMO to improve the tracking of potential emissions to water.</p>
Hazardous waste ratio	0	<p>The investment is in a forest asset which does not produce hazardous waste.</p> <p>Hazardous substances are restricted by the policy (e.g. ESG Policy, Environmental Considerations During Silviculture and Harvesting Operations Policy, Road and Skid Trail Management Policy, SFI Policy).</p> <p>Third party auditors confirmed that the</p>	<p>The Fund manager engaged with the TIMO to confirm that hazardous waste was not produced.</p> <p>Moreover, the Fund Manager checked the third party auditors reports to confirm the information received.</p> <p>The Fund Manager is also engaging with the TIMO to improve the</p>

		<p>TIMO practices were in line with the policy.</p> <p>Use of chemicals and fuels is document and reported to the Fund Manager.</p>	<p>tracking of potential hazardous waste production.</p>
<p>Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>	<p>0%</p>	<p>The investment is in a forest asset without staff. Nevertheless, the Fund Manager considers the TIMO alignment with the UNGC principles and OECD Guidelines for Multinational Enterprises.</p> <p>The investment is operated by a TIMO which has policies and procedures in place to meet the UNGC principles and OECD Guidelines for Multinational Enterprises.</p> <p>Violations were monitored and reported at investment level by the TIMO.</p>	<p>The Fund Manager engaged with the TIMO to confirm that violations did not occur in the management of the asset.</p>
<p>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>0</p>	<p>The investment is in a forest asset without staff. Nevertheless, the Fund Manager considers the TIMO alignment with the UNGC principles and OECD Guidelines for Multinational Enterprises.</p> <p>The investment is operated by a TIMO which has policies and procedures in place to meet the UNGC principles and OECD Guidelines for Multinational Enterprises.</p>	<p>The Fund Manager is engaging with the TIMO with the aim of formalizing the alignment with the UNGC principles and OECD Guidelines for Multinational Enterprises in a single document to facilitate compliance controls.</p> <p>Currently, the alignment is demonstrated by using a set of different documents – ESG Policy, Employee Handbook, SFI Policy, Code of</p>

		<p>Moreover, the TIMO has in place:</p> <ul style="list-style-type: none"> • A grievance mechanism for employees • A whistleblowers protection mechanism for employees 	Ethics, and Compliance Manual.
Unadjusted gender pay gap	16.7%	<p>The investment is in a forest asset without staff.</p> <p>The Fund Manager discloses the TIMO unadjusted gender pay gap.</p> <p>The TIMO has in place policies addressing gender unbalances:</p> <ul style="list-style-type: none"> • Diversity, Equity, and Inclusion Policy • Fair remuneration Policy • Anti-discrimination Policy • ESG Policy <p>By regulatory requirements the TIMO tracks:</p> <ul style="list-style-type: none"> • Number of discrimination incidents reported and sanctions deployed • Gender equality indicators 	The Fund Manager will engage with the TIMO to further understand potential gender unbalances.
Board gender diversity	13% female 87% male	The investment is in a forest asset without staff.	The Fund Manager will engage with the TIMO to further understand

		<p>The Fund Manager discloses the TIMO board diversity.</p> <p>A competent, diverse, structured, independent board is required by internal TIMO policy.</p>	<p>potential gender unbalances.</p>
<p>Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)</p>	<p>0%</p>	<p>The Fund terms do not allow investment in controversial weapons.</p>	<p>The Fund Manager engaged with the TIMO to confirm that the investment does not have controversial weapons exposure.</p>
<p>Share of investments in investee companies without water management policies</p>	<p>0%</p>	<p>The Fund Manager has conducted a thorough climate risk assessment and concluded that the investment is not situated in an area at risk of water stress.</p> <p>The Fund terms require all investment to be managed according to a sustainable forest management policy and third-party certified within 24 months of acquisition (latest). Consequently, all investments are managed according to a sustainable forest management policy and third-party certified.</p> <p>Among the requirements, sustainable forest management requires consideration of water resources in the forestry activities.</p> <p>The TIMO has a water management plan in place.</p>	<p>The Fund Manager engaged with the TIMO to confirm that the sustainable forest management policy is in place and third-party auditors confirmed the certification.</p> <p>Moreover, the Fund Manager checked the third-party auditors reports to confirm the information received.</p> <p>The Fund Manager engaged with the TIMO to confirm that water management plan is in place.</p>
<p>Share of investments in investee companies</p>	<p>0%</p>	<p>The Fund terms require all investment to be managed according to</p>	<p>The Fund Manager engaged with the TIMO to confirm</p>

<p>without sustainable land/agriculture practices or policies</p>		<p>a sustainable forest management policy and third party certified within 24 months of acquisition (latest).</p> <p>All investments are managed according to a sustainable forest management policy and third-party certified.</p>	<p>that the sustainable forest management policy is in place and that third party auditors confirmed the certification.</p> <p>Moreover, the Fund Manager checked the third-party auditors reports to confirm the information received.</p>
<p>Natural species and protected areas – Share of investments in investee companies whose operations affect threatened species</p>	<p>0%</p>	<p>Investment activities did not negatively affect threatened species.</p> <p>During due diligence of the investment all possibly present threatened species were identified. These species were monitored during the year.</p> <p>The TIMOs policies (e.g. ESG Policy, Environmental Considerations During Silviculture and Harvesting Operations Policy, Road and Skid Trail Management Policy, SFI Policy, Special Sites Policy, Wildlife Habitat Policy) prevent negative effects on threatened species.</p> <p>Third-party auditors confirmed that the TIMO practices in the management of the forest were in line with sustainable forestry standards and did not negatively affect threatened species.</p>	<p>The Fund manager engaged with the TIMO to confirm that threatened species were not negatively affected.</p> <p>Moreover, the Fund Manager checked the third-party auditors reports to confirm the information received.</p>
<p>Rate of accidents in investee companies expressed as a weighted average</p>	<p>0%</p>	<p>The investment is in a forest asset without staff.</p>	<p>The Fund Manager engaged with the TIMO to confirm that accidents did not occur in the</p>

		<p>The Fund Manager discloses asset operations numbers.</p> <p>The TIMO has in place an Accident Prevention Policy.</p>	<p>management of the asset.</p> <p>Occurrence of accidents was monitored throughout the year.</p>
<p>Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average</p>	0%	<p>The investment is in a forest asset without staff.</p> <p>The Fund Manager discloses asset operations numbers.</p> <p>The TIMO has in place an Accident Prevention Policy.</p>	<p>The Fund Manager engaged with the TIMO to confirm that injuries, accidents, fatalities or illnesses did not occur in the management of the asset.</p> <p>Occurrence of injuries, accidents, fatalities or illnesses was monitored throughout the year.</p>
<p>Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis</p>	0	<p>The investment is in a forest asset without staff.</p> <p>The Fund Manager discloses asset operations numbers.</p>	<p>The Fund Manager engaged with the TIMO to confirm that severe human rights issues did not occur in the management of the asset.</p> <p>Occurrence of severe human rights issues and incidents was monitored throughout the year.</p> <p>The TIMO is in the process of formalizing separate human rights policy.</p>



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Redstone	Forestry	100%	USA

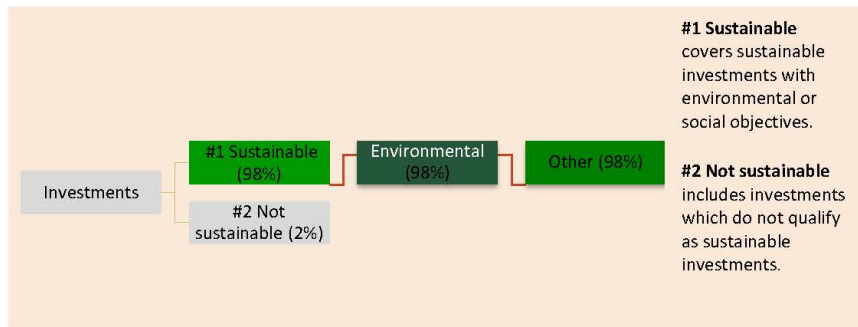
Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

As of yearend 2024, 98% of the Fund value is allocated to a single sustainable investment (Redstone), with 2% of the Fund value being in receivables and cash.

● **What was the asset allocation?**



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

● **In which economic sectors were the investments made?**

Sector	Sub-sector	% investments
Forestry	Forest management	100%



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The IETP III sustainable investments portfolio, currently having a single investment, is aligned to the EU Taxonomy criteria for climate change adaptation, adapted activities. However, as the Fund maintains the standard definition of investment alignment based on turnover and as adapted activities do not have aligned turnover, then the Fund reports 0% of Taxonomy-aligned investments.

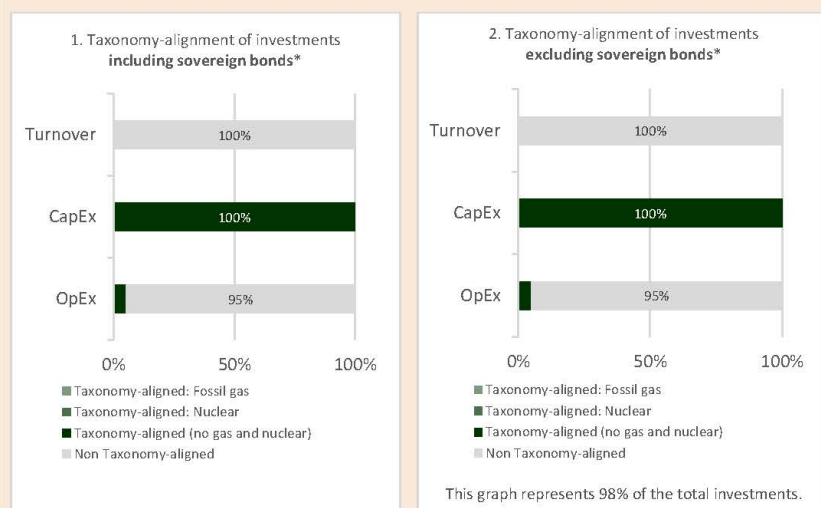
● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy²?**

- Yes:
 - In fossil gas
 - In nuclear energy
- No

Taxonomy-aligned activities are expressed as a share of:


- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



● **What was the share of investments made in transitional and enabling activities?**

0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

2024 is the first period of reporting.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**


100%

After the successful implementation of the Climate Change Adaptation Procedure of the Fund, part of the capex and opex of the investment in the Fund are currently aligned to Taxonomy criteria for climate change adaptation, adapted activity – see 'Taxonomy-alignment of investments' graph in the relative section.


However, as the Fund maintains the standard regulatory definition of investment alignment based on turnover and as adapted activities do not have aligned turnover, then the Fund reports 0% of Taxonomy-aligned investments.

 **What was the share of socially sustainable investments?**

0%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

As of yearend 2024 2% of the Fund value was in receivables and cash, which did not require minimum environmental or social safeguards.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

Fulfilment of binding elements to attain the sustainable investment objective.

Binding elements	2024 Actions
The Fund shall invest 100% of its portfolio in sustainably managed plantations, as defined by the Fund Sustainable Forestry Position	The Fund portfolio only includes sustainably managed forest plantations in line with the Sustainable Forestry Position. The alignment with the Position was confirmed by the implementation of the four regular and standard actions defined in the Fund ESG Framework – engagement, monitoring, reassessment, and reporting – which confirmed that all elements of the Position were satisfied.
The Fund shall invest only in timberland assets either certified as FSC or PEFC compliant or capable of achieving FSC or	In 2024, the investment successfully passed the annual SFI (PEFC compliant) annual verification

<p>PEFC certification within 24 months after acquisition</p>	<p>and maintained the sustainable forest management certification.</p>
<p>The Fund shall invest only in assets and with TIMOs capable of delivering all the critical information, as defined in the Fund ESG Framework</p>	<p>As the Fund did not pursue any new investments in 2024, the pre-investment processes, defined in the Fund ESG Framework, relative workstreams and framework obligations were not implemented.</p> <p>The TIMO was assessed capable of delivering all the critical information during due diligence.</p> <p>In 2024, all data identified as critical by the Fund ESG Framework were provided by the TIMO.</p>
<p>The Fund shall not invest in TIMOs with ESG capabilities rated as «Low» based on the proprietary ESG methodology</p>	<p>As the Fund did not pursue any new investments in 2024, the pre-investment processes, defined in the Fund ESG Framework, relative workstreams and framework obligations were not implemented.</p> <p>The TIMO ESG capabilities were assessed above «Low» during due diligence.</p> <p>In 2024, after the annual reassessment process the TIMO maintained above «Low» ESG capabilities rating.</p>
<p>The Fund shall not invest in timberland assets rated as «High ESG risk» based on the proprietary ESG methodology</p>	<p>As the Fund did not pursue any new investments in 2024, the pre-investment processes, defined in the Fund ESG Framework, relative workstreams and framework obligations were not implemented.</p> <p>The timberland assets were assessed below «High ESG risk» during due diligence.</p> <p>In 2024, after the annual reassessment process the timberland maintained below «High ESG risk» rating.</p>
<p>The Fund shall invest only in assets and with TIMOs with structures and systems capable of monitoring and reporting on all relevant indicators</p>	<p>As the Fund did not pursue any new investments in 2024, the pre-investment processes, defined in the Fund ESG Framework, relative workstreams and framework obligations were not implemented.</p> <p>The assets and the TIMOs were assessed having structures and systems capable of monitoring and reporting on all relevant indicators.</p> <p>In 2024, monitoring and reporting of all relevant indicators was provided.</p>



How did this financial product perform compared to the reference sustainable benchmark?

The Fund does not have a specific index designated as reference benchmark to meet the investment objective.

- *How did the reference benchmark differ from a broad market index?*

Not relevant.

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

Not relevant.

- *How did this financial product perform compared with the reference benchmark?*

Not relevant.

- *How did this financial product perform compared with the broad market index?*

Not relevant.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.