CLIMATE TRANSPARENCY REPORT 2020

Stafford Capital Partners

Principles for Responsible Investment

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-EA5DB16C-3024-4B35-878A-18B1E3D13BC5/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as "private". Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the PRI website and on the Data Portal.

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation

Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Stafford Capital Partners
Signatory Category	Fund of funds, manager of managers, sub-advised products - Majority
Signatory Type	Investment Manager
Size	US$ 5 - 9.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2010
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	50% from 38 Voluntary indicators

Stafford Capital Partners

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.

SG 01.6	Additional information [Optional].

Stafford's emphasis on sustainability and climate aware investment products is in part a reflection of the Firm's awareness and attempt to position the business and investments for the transition to a lower carbon economy that is already unfolding. Indeed, responsible investments in the areas of sustainable capital, infrastructure, agriculture and timberland are all vital assets for helping to support and enable the transition that is required, both in developed and developing economies. Stafford is making efforts to support of this transition process through these targeted investment products, as well as striving for higher standards of integration and awareness amongst the investment managers of private equity and venture capital funds that do not have an explicit sustainability themed dimension.

A summary of the broad mapping of climate impacts and their relevance to the asset classes that Stafford invests in is provided below. A reference to an asset class (either Infrastructure, Timberland, Agriculture or Private Equity) denotes where the risk or opportunity is considered to be high or very high. The absence of a tick does not indicate that there is no impact, just less pronounced.

The following lists the various Climate related risks, and the Asset class exposure (where if indicated under a risk area, then that Asset class has a high or very high exposure.

1. Transition risks - Policy and legal affects: Infrastructure, Timberland, Agriculture and Private Equity
2. Transition risks - Technology shifts: Infrastructure, Timberland, Agriculture and Private Equity
3. Transition risks - Reputational risks: Infrastructure, Timberland, Agriculture and Private Equity
4. Transition risks - Market risks: Agriculture
5. Physical Risks: Infrastructure, Timberland and Agriculture
6. Climate related Opportunities - Resource efficiency: Infrastructure
7. Climate related Opportunities - Low Carbon energy: Infrastructure, Timberland and Private Equity
8. Climate related Opportunities - New markets, products and services: Infrastructure, Timberland and Agriculture
9. Climate related Opportunities - Building resilience: Infrastructure, Timberland and Agriculture

[Source of the list: TCFD Final Recommendations report, Adapted by Stafford CP]

We have these products that are affected by a climate-related risks and opportunities transition to a lower carbon economy:
1. Sustainable Capital - The Stafford Private Equity team incorporates ESG and climate-related risks and opportunities into its investment decisions to better mitigate risk and generate sustainable, long-term returns. The guiding force behind this approach is to adapt sustainable development goals, such as the 17 Sustainable Development Goals ("SDG") outlined by the United Nations in 2015. The S3 Investment Team is using the UN's SDGs not only as a guiding force, but also as a screening mechanism for potential investments in the Fund. Stafford believes this approach, along with its focus on ESG factors, can be a catalyst for not only helping drive positive change in the world, but also for strong investment performance moving forward.

2. Infrastructure - Infrastructure also incorporates ESG and climate-related risks and opportunities into its investment decisions to mitigate risk and generate sustainable long-term returns. It adapts various benchmarks, exclusions required by investors and guidance, including the World Bank's method for accounting for ESG considerations and to some extent guidance from the approach taken by our Sustainable Capital service line.

3. Timber - Timberland investments are exposed to biological risk as a result of the physical impacts of climate change. Stafford seeks to manage this risk by maintaining a diversified exposure to geographies and species. We also continue to monitor research into the effects of climate change on our investments and work with our managers to make adjustments to management when needed. Equally Timberland investments stand to benefit greatly from a shift in the real economy towards products with a lower carbon and embedded energy content. Such products are likely to become increasingly prevalent particularly in the markets for building materials, energy and packaging products. Equally, responsible investment into expanded areas of sustainably harvested commercial Timberland will increasingly be seen as part of a multi-pronged solution to climate change, likely to

be in part assisted by direct intervention by governments (through grants and other assistance) and the establishment of market based emissions trading systems that actively price the carbon offsets provided by forests. Stafford is currently researching feasibility of various methods of carbon accounting with a view to reporting the carbon impact of portfolios to clients.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General

SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

◉ Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We will answer this question using examples of specific business lines:

For the Timberland business line:

- Structuring timberland portfolios to be diversified across regional climate risks.
- Partnering with third party managers with strong credentials and a track record in sustainable forestry, carbon offset projects and forest conservation/habitat protection.
- Commercialisation of multiple carbon offset projects in jurisdictions and investment regions where carbon markets are established such as the US (California Cap and Trade Scheme) and New Zealand. This has provided a substantial contribution to property level returns in several Stafford Timberland funds.
- Developing techniques for calculating the net carbon balance of timberland investments and how this can be reported to investors in order for them to understand the environmental contribution of assets under management.
- Tracking SDG performance across funds, managers and timberland properties for SDG related reporting to fund investors.
- Reviewing and benchmarking the risk management settings of managers as pertains to ongoing forest establishment and investment in a changing backdrop of climate related natural disasters including bush fires and tropical cyclones.

For the Sustainable Capital business line:

- partnering with third party managers with credentials in sustainability but also leadership in investing with cognisance of Climate Change.
- using the UN SDGs as means to identifying opportunities and third-party managers, although not PRI signatures, have a cognisance of those sustainability targets.

For the Agriculture business line:

- partnering with third party managers cognisant of sustainability practices in Agriculture.
- benchmarks and selects high quality existing (in production i.e. no land clearance) agricultural real estate assets row cropland and pasture.
- leases to operators who are subject to rigorous background and track record checks, including ESG performance (particularly in custodianship of past farms with an emphasis on environmental sustainability)
- Strict lease obligations promote sustainable farming best practice and regenerative agriculture.
- Local partners work with tenants to develop appropriate farming plans.
- Tenants are encouraged to use new technologies to improve productivity and water conservation, to install renewable energy systems (e.g. solar water pumps) and to promote biodiversity and habitat preservation.

- Tenants are offered right of first refusal on exit to encourage good tenancy behaviour and to support long term industry growth (no 'land banking').

For Infrastructure business line:

- partnering with third party managers with credentials in identifying viable renewable energy investments and suitable energy efficent infrastructure.
- Utilised the SDG Tracking Tool for the 270+ infra assets according to the Stafford methodology employed in other business lines. This, enables them to see the contribution of the portfolio to RE (a means to addressing carbon).
- Carbon/fossil fuel has been discussed in the Investment Committee, as it applies to future funds and mandates, for exclusion/minimisation of carbon in the portfolio. It was determined that a 2.5% max. cap on carbon and a 15% max. cap on oil& gas plus a 15% min. floor on RE. This "exclusion of carbon" has been well received by many prospect clients and stakeholders.

○ No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

◉ Yes

	Describe the associated timescales linked to these risks and opportunities.

The following table provides the requested overview based on Stafford Infrastructure's business affected by Climate Change and related issues (Sustainable Capital, Agriculture and Infrastructure) as an example. In the field for long term, we describe our approach to these issues.

Short Term - <1 year
In this category we regularly have to assess, for example, how much CO2 can be reduced by switching fuels for infrastructure assets in our portfolio (i.e., adding wood pellets to coal-based power plants, switching from coal-to-gas, etc.)

For our Agriculture service line, the issues are:

- Increasing variability in rainfall patterns impacting yields and, where available, increasing reliance on irrigation water
- Increasing likelihood of heat stress, impacting yields in row & permanent cropping and livestock
- Reduced frost hours, impacting flowering and yields (positively and negatively depending on species and timing)

For our Timberland service line:

- Currently developing techniques for carbon accounting' is expected to be complete over the next 12 months and are expected to be reported on an annual basis
- Partnering with third party managers with strong climate credentials' is ongoing and we regularly work to develop new, interesting and innovative manager relationships.
- Commercialisation of carbon offset projects' is ongoing and actively underway across many investments.
- Tracking SDG performance' is also ongoing.

Medium Term- >1 and <5 years

We have to deal with mid-term material climate-related issues when modelling prices for green certificates for green field renewable energy projects in certain geographies.

For our Agriculture service line the issues are:

- All of points noted above, with potential for increased materiality
- Potential increase in the length and severity of drought and flooding

- Potential increase in pesticide and herbicide usage as ranges of pests and weed shifts in relation to rainfall and temperature patterns

For our Timberland service line:

- Structuring timberland portfolios that account for regional climate and other risks' occurs approximately every 3-4 years as the investment strategy for a new fund is developed and marketed to the investment community.
- Reviewing and benchmarking the risk management settings of Timberland managers occurs every 2-3 years as part of regular manager data requests and Operations and Governance Reviews.

Long Term - > 5

The Firm's strategic position for the transition to a lower carbon economy. The Firm's business lines ar making efforts to support this transition process through these targeted investment products, including seeking higher standards of integration amongst the investment managers of PE and venture capital funds. The long term nature of the funds, being 10 years, also demonstrates this long term viewpoint of the Firm.

For our Agriculture service line the issues are:

- Potential reduction in groundwater entitlements and ability to access water for irrigation
- Potential to change highest and best use of assets as climate regions shift
- Potential increase in plant and equipment costs to shift towards zero emission farming

○ No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?

◉ Yes

○ No

SG 01.9 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

◉ Yes

	Describe

Stafford finalised its Strategic Position on Climate Change (CC) in 2019, which clearly describes the Firm's agreed upon integration and mitigation of such risks across the business lines and investment portfolios. We support the TCFD recommendations and framework. This is because it defines and promotes disclosure of the f climate-related risks and opportunities (transition and physical impact risks). Our position is as follows: recognition that CC is a major source of systemic economic and market risk; that presents opportunities for proactively managing our pre-investment due diligence, the post-investment oversight process and disclosure to clients and stakeholders; to some extent CC is alleviated through the pursuit of Sustainable Development Goals (SDGs) into the investment process; support of ambitious targets and efforts by policy makers; ensuring greater scrutiny on investment exposure to unabated thermal coal assets; pursuing collaboration with other stakeholders; and improving disclosure and transparency of climate-related impacts.

Pre-investment due diligence

Climate change risks and opportunities are being incorporated into Stafford's pre-investment due diligence processes across asset classes. This includes, but is not limited to reviewing these considerations affecting those other managers of our investments such as: a position statement on CC exists (PRI Principle 2), evidence of how climate-related impacts are incorporated into asset valuations and portfolio construction (PRI Principle 1); tools or metrics that are utilised to support the assessment of climate-related risks and opportunities as part of the investment process, including scenario analysis (PRI Principle 1); evidence of the exposure of the fund's assets to climate-related risks including transition and physical impact risks (PRI Principle 2); evidence of the exposure of the fund's assets to low carbon opportunities and/or climate-resilient assets (PRI Principle 2); escalating thermal coal exposures for consideration by the ESG Committee on a case-by-case basis through the Sensitive Business Case process; reporting and disclosure efforts, including support for the TCFD recommendations and, if a signatory to the PRI, completing the climate change component of the annual PRI reporting framework (PRI Principles 3, 4, 6); collaborating and engaging with others through industry initiatives, dialogue with investee entities and governments/regulators (PRI Principle 5); and Any intention or future plans to bolster efforts.

Post-investment processes

As part of Stafford's oversight and management of existing investments and investment manager relationships, we will engage t to improve standards across all the areas listed as part of our due diligence process. This will include: sharing climate change position statement and ensuring their alignment (PRI Principles 2, 4); incorporating climate-specific assessment criteria into our regular ESG survey (PRI Principles 1, 2); reviewing efficacy of our third party managers' current practices to managing climate change impacts compared to peers (PRI Principles 1, 2); engagement through our biennial ESG Survey to support TCFD (PRI Principles 3, 4., 6); pursuing sideletter arrangements to support TCFD (PRI Principles 1, 2) and effecting change through the Sensitive Business Case (PRI Principles 1, 2).

○ No

SG 1.10 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

☑ Public PRI Climate Transparency Report

☐ Annual financial filings

☑ Regular client reporting

☑ Member communications

☐ Other

☐ We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Other Chief-level staff or heads of departments

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Portfolio managers

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Investment analysts

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Dedicated responsible investment staff

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Investor relations

☐ Oversight/accountability for climate-related issues

☐ Assessment and management of climate-related issues

☑ No responsibility for climate-related issues

External managers or service providers

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

Other role, specify (1)

ESG Committee, refer below response.

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

SG 07.6 CC	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Delegated oversight through the ESG Committee's maintenance of the guidelines setout in the Climate Change Policy. The ESG Committee tabled a Climate Change Policy, augmenting the Responsible Investment Policy. Through the exercise of the ESG Committee's oversight of the Climate Change Policy, any assessments, findings or observations by the ESG Committee's review of the activities, undertakings and events undertaken by the various business lines and service lines of the Firm is tabled to the Executive Management Board ("EMB"). The EMB then considers the matters escalated on at least a quarterly basis and then annually for any decisions that have a long term strategic or governance implications.

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The Firm's Climate Change Policy is intended to provide guidance to the management about how they might exercise their roles and decisions in alignment to the framework of the Climate Change Policy.

The ESG Committee released the policy in 2019 into a Strategic Position on Climate Change, intended to augment the Responsible Investment Policy.

SG 07.8 CC	Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

☑ Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)

☑ Request incorporation of TCFD into regular client reporting

☑ Request that external managers complete PRI climate indicator reporting

☐ Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide

☐ Other

☐ We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1

SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

☐ Yes, in order to assess future ESG factors

☐ Yes, in order to assess future climate-related risks and opportunities

☑ No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3	Additional information. [OPTIONAL]

anDuring 2019, we completed our Strategic Position on Climmate Change. During the course of 2020 we are undertaking steps to review the approach of each business lime to incorporating the position outlined in that Positons paper. Thus, to ensure a serious and meaningful approach to scenario analysis, we have determined that it was most important that the business lines be given the opportunity for time to digest how this Strategic Position might impact them. This includes scenario analysis and key performance indicators with targets derived from those scenarios.

For example:

- Infrastructure business line has begun to determine exclusion thresholds for carbon in its future secondaries products, and to partner with a renewable energy aggregator.

- Sustainable Capital continues to pursue the Sustainable Development Goals are a rubric for identifying oppportunities.

- Agriculture has designed a KPI tool based relevant UN SDGs on its investments, with a view to ensuring that farms and farmer operators are chosen based on proof of their efficacy to sustainability in the long term despite CC.

- Timber has taken steps to address real life events, such the impact of the Australian bushfires and drought on the forestry industry and sustainable practices.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1

SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

☑ Changing demographics

☑ Climate change

☑ Resource scarcity

☑ Technological developments

☐ Other, specify(1)

☐ Other, specify(2)

☐ None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

☑ Established a climate change sensitive or climate change integrated asset allocation strategy

☑ Targeted low carbon or climate resilient investments

	Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		3	026	272	415
Currency	USD				
Assets in USD		3	026	272	415

	Specify the framework or taxonomy used.

These are specific financial products invested specifically:

- target companies with mature business models and defensible financial profiles that also exhibit positive sustainable attributes and have strong alignment with the United Nations' Sustainable Development Goals ("SDGs"), which will serve as a guiding post for the Fund's investment decisions;

- designed to provide investors with exposure to a diversified portfolio of global private equity investments that focus on technologies that seek to improve the efficiency of energy production, distribution, and the reduction or elimination of the negative environmental impact of these activities. The investment mandate will also include diversification across a broad range of industries and markets within the Clean Tech sector, specifically Energy Generation and Supporting Clean Technologies.

- investments into forests that through certification of sustainability attributes and a recognised "carbon sink".

- investments into recognised categories by renewable, energy efficient and resource efficient infrastructure.

☐ Phase out your investments in your fossil fuel holdings

☑ Reduced portfolio exposure to emissions intensive or fossil fuel holdings

☑ Used emissions data or analysis to inform investment decision making

☑ Sought climate change integration by companies

☑ Sought climate supportive policy from governments

☐ Other, specify

☐ None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

☑ Scenario analysis

☐ Disclosures on emissions risks to clients/trustees/management/beneficiaries

☐ Climate-related targets

☑ Encouraging internal and/or external portfolio managers to monitor emissions risks

☐ Emissions-risk monitoring and reporting are formalised into contracts when appointing managers

☐ Weighted average carbon intensity

☐ Carbon footprint (scope 1 and 2)

☐ Portfolio carbon footprint

☑ Total carbon emissions

☐ Carbon intensity

☐ Exposure to carbon-related assets

☐ Other emissions metrics

☑ Other, specify

	other description

Adopting and incorporating a carbon neutral policy across the firm's business practices and operations, as part of the climate change position statement.

☐ None of the above

SG 14 CC	Voluntary	Public		General

SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Total carbon emissions	☐ All assets ☐ Majority of assets ☑ Minority of assets	Initially in Agriculture investments Currenty being integrated in Infrastructure business line Timber is determinng carbon sequestration.	Greenhouse gas emissions (estimated), tonnes of CO_2 equivalent per hectare	Derived by reports provided by specific farms

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

◉ Processes for climate-related risks are integrated into overall risk management

	Please describe

At a high level, risk management processes is reflected in the determination of the short, medium and long term impacts of climate change, as you will see from the answers given in other parts to this section. At a governance and strategy level considerations of risk factor in the design of product lines and the strategic choices for opportunities.

Stafford considers strategic issues as part of its strategy and governance arrangements, which then filter down through the organisation into our culture and how we make decisions. This includes issues such as demographic shifts, political risks and climate change.

Stafford considers strategic issues as part of its strategy and governance arrangements, which then filter down through the organisation into our culture and how we make decisions. The various Investment Committees of our asset service lines considers common priorities, including issues such as demographic shifts, political risks and climate change, and through consensus adopts a harmonised strategic set of priorities.

The various Investment Committees are guided by considerations and priorities of others. For example, the World Economic Forum produces an annual risk outlook assessment which highlights climate change as one of the key business and investment risks facing the financial and economic system over the coming decade. Stafford is aware of and concerned about climate change as a long-term investor in "real assets" that naturally have a long-term horizon (compared with listed or exchange traded assets). As such, the Firm takes a precautionary approach to positioning the business and investing our client's assets in a way that is cognizant of the long-term risks and opportunities related to climate change, while also recognising the high uncertainty in the future pathways and actions by policy makers and technology shifts.

Thus, through consensus and guidance from reputable and expert organisations, the firms adopts a consensus driven emphasis on sustainability and climate aware investment products. The emphasis driven in part by the distilled priorities and awareness to position the business and our investments for the transition to a lower carbon economy that is already unfolding. Indeed, as we have emphasised in our previous responses, sustainable capital, infrastructure, agriculture and timberland are all vital assets to help support and enable the transition that is required, both in developed and developing economies. Stafford is making efforts to support this transition process through these targeted investment products, as well as striving for higher standards of integration and awareness amongst the investment managers of private equity and venture capital funds that do not have an explicit sustainability themed dimension.

As Stafford Capital Partners is focussed on providing Alternative Investment services with the standard term of the underlying funds being 10 years and more, the investments that we pursue tend to be overall long-term in nature.

○ Processes for climate-related risks are not integrated into overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1

SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

◉ Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.

	%

62

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

	Area

☑ Energy efficiency / Clean technology

	Asset class invested

☑ Private equity

	Percentage of AUM (+/-5%) per asset class invested in the area

3

☐ Infrastructure

☐ Forestry

☐ Farmland

	Brief description and measures of investment

We have specifically themed funds known as "sustainable capital", but whose predominant investments are in clean technology.

Our infrastructure assets are diversely invested but with a focus on infrastructure and related investments clean technology.

☑ Renewable energy

	Asset class invested

☑ Private equity

	Percentage of AUM (+/-5%) per asset class invested in the area

2

☑ Infrastructure

	Percentage of AUM (+/-5%) per asset class invested in the area

2

☐ Forestry

☐ Farmland

	Brief description and measures of investment

To puruse investments into energy efficient renewable energy to assist in the goal of limiting the termparate range need to contain Climate Change.

☐ Green buildings

☑ Sustainable forestry

	Asset class invested

☐ Private equity

☐ Infrastructure

☑ Forestry

	Percentage of AUM (+/-5%) per asset class invested in the area

45

☐ Farmland

	Brief description and measures of investment

Stafford Timberland has a discretionary mandate to invest in assets in key regions of the world. Stafford Timberland has approximately more than 2.25 million hectares of timberland Area Under Investment (or more than USD 2 billion AUM) across a global footprint that spans primarily the United States, Australia, New Zealand and Latin America. Approximately 98% of Stafford Timberland's Area Under Investment comprises forests certified to an FSC, PEFC or other leading forest management standard. The remainder are generally only uncertified due to cost prohibitiveness (mostly due to being small scale properties) or because they are currently in the process of becoming certified. As a result, sustainability is a core part of Stafford's approach to responsible investment in the timberland asset class.

☑ Sustainable agriculture

	Asset class invested

☐ Private equity

☐ Infrastructure

☐ Forestry

☑ Farmland

	Percentage of AUM (+/-5%) per asset class invested in the area

1

	Brief description and measures of investment

A small mandate with discretion to invest in agriculture / farmland with demonstrable characteristics of sustainable agriculture.

☐ Microfinance

☐ SME financing

☑ Social enterprise / community investing

	Asset class invested

☑ Private equity

	Percentage of AUM (+/-5%) per asset class invested in the area

3

☐ Infrastructure

☐ Forestry

☐ Farmland

	Brief description and measures of investment

As above, we have themed in sustainable capital, some investments into social enterprise and community investing.

Our infrastructure funds and mandates are invested into some social enterprises and community related infrastructure.

We have venture mandates whose portfolio themes have a required focus on social enterprises and community investing.

☐ Affordable housing

☑ Education

	Asset class invested

☐ Private equity

☑ Infrastructure

	Percentage of AUM (+/-5%) per asset class invested in the area

1

☐ Forestry

☐ Farmland

	Brief description and measures of investment

Broad ranges of portfolio companies and enterprises that are within these sustainable categories across our funds and mandates despite those funds / mandates not possessing a themed focus.

As above, our sustainable capital funds and mandates are required to make investments in broad range of sustainable enterprises, including investing into enterprises within the educational sector or servicing those other enterprises in education.

☑ Global health

	Asset class invested

☐ Private equity

☑ Infrastructure

	Percentage of AUM (+/-5%) per asset class invested in the area

1

☐ Forestry

☐ Farmland

Brief description and measures of investment

As above.

☑ Water

Asset class invested

☑ Private equity

Percentage of AUM (+/-5%) per asset class invested in the area

1

☐ Infrastructure

☐ Forestry

☐ Farmland

Brief description and measures of investment

As above.

☐ Other area, specify

○ No