

## Sustainable Forest Management Policy of the INVL Sustainable Timberland and Farmland Fund II

### Section I. Introduction. About the Fund

INVL Sustainable Timberland and Farmland Fund II (hereinafter referred to as the Fund) invests in forests and agricultural land for sustainable management in the Baltic region and Central and Eastern Europe. The Fund is registered in Luxembourg and is managed and administered by Apex Group, one of the largest providers of fund services in Europe. The Fund operates under the laws of the Grand Duchy of Luxembourg, while the investment regulations the fund adheres to depend on where investments are made and vary by country.

The Fund was established in 2020 with the aims of generating long-term returns for investors, implementing sustainable management practices, and managing forests in accordance with the principles and criteria of the FSC®.

**Aim** – create value not only for investors but also for the environment and society.

**Mission** – transparent and responsible Fund that generates returns for investors and provides them with an opportunity to contribute to the promotion of communality and the preservation of nature for future generations.

**Vision** – sustainable forest management – an essential tool for the creation of long-term value.

### Section II. General Provisions

1. The Sustainable Forest Management Policy (hereinafter referred to as the Policy) has been approved by the Investment Committee of the Fund's forest portfolio manager INVL Asset Management (registration address – Gynėjų g. 14, Vilnius, Lithuania).
2. The Policy sets out long-term commitments of the Fund to the principles and criteria of the FSC®.
3. The Policy applies to all employees involved in the management of the Fund's forests. Employees must follow the Policy in their daily activities and acquaint interested parties with the Policy.
4. The Policy is published on the website of the Fund.

### Section III. Provisions of Sustainable Forest Management

5. The Fund undertakes to be responsible for the implementation and compliance with the requirements of the FSC® standards in forest holdings owned directly or indirectly.
6. The Fund bases its activities on responsibility and zero tolerance for corruption. The Gift Policy and the Conflict of Interest Policy approved by the forest portfolio management company INVL Asset Management shape an environment which is unfavorable to corruption and ensure that decisions are made transparently and impartially.
7. The Fund nurtures a culture of integrity, transparency, openness and compliance through the application of the Code of Ethics, the Policy on the Avoidance of Conflicts of Interest, and the Rules of Procedure.

8. The Fund maintains contact with various stakeholders, both individuals and groups of them. The Fund is also constantly identifying other potential interested parties and cooperates with them accordingly.
9. The Fund operates transparently and seeks to inform local communities about the planned economic activities in their vicinity.
10. The Fund undertakes to settle disputes in accordance with the principles of respect for human rights, justice, fairness, reasonableness, objectivity, impartiality and promptness.
11. The Fund encourages activities that improve the socio-economic well-being of local communities.
12. The Fund aims that its existing and new workers, both men and women, are paid the same for the same or equivalent work. Wages are determined based on criteria related to the qualifications, experience, knowledge, abilities of the employee, the results achieved, and the degree of responsibility. The Fund does not tolerate forced labor.
13. The Fund ensures equal rights and opportunities for workers regardless of their gender, sexual orientation, nationality, age, beliefs, or opinions. The Fund is against all forms of discrimination and harassment. There is no tolerance for psychological violence, bullying and the abuse of authority.
14. Accounting is done in accordance with regulations. Annual audits are conducted following international auditing standards.
15. The Fund undertakes not to sell timber and non-wood products as FSC® certified if they originate from forest holdings that are not included in the scope of the certificate.