



Green Bond Framework

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Introduction

Founded in 1985, The Conservation Fund (“the Fund”) is a nonprofit organization that uses its capital and technical expertise to protect critical natural and cultural resources while strengthening local communities in the U.S. Chartered for both land conservation and economic development, the Fund has an innovative partnership model that permanently protects highest conservation value land, water and wildlife and brings economic vitality to communities. The Fund’s business includes land conservation, community and economic development, training and leadership development, land use planning and investment in the sustainable use of natural resources, among other services.

Protecting land and water with high conservation value is essential for America's environmental health and its economic vitality. However, the public and private agencies that seek to be permanent stewards of these resources often lack the immediate funding or ability to form the partnerships required to buy such assets when they become available. The Fund works with its partners to be an interim owner or to assist in arranging transactions in order to achieve important conservation outcomes. The goal is to ensure nature's vital role in providing clean air and water, wildlife habitat, and economic benefits for communities across America, in addition to addressing climate change through carbon offset projects, climate mitigation, adaptation and resiliency.

In accordance with its mission, the Fund has designed this Green Bond Framework (“the Framework”) under which it will issue Green Bonds to finance or refinance projects that have environmental benefits. This Framework details:

- Which project types are eligible for financing / refinancing with use of proceeds;
- How projects are evaluated and selected;
- How proceeds are managed;
- How the Fund intends to provide Green Bond reporting.

The Framework is designed to be in line with the International Capital Market Association (“ICMA”) Green Bond Principles 2018.

The Framework

1. Use of proceeds: The Fund intends to allocate the net proceeds of Green Bond issuances to finance and / or refinance, in whole or in part, new and / or existing “Eligible Green Projects”. Such allocations can occur both in the form of direct investments by the Fund or conservation loans granted to third parties. Eligible Green Projects include those funded in the two years prior to the issue date of the bonds or any time during the term of the bonds. Eligible Green Projects are projects that fall in the following eligible category, as per ICMA Green Bond Principles 2018:

Conservation of Natural Resources and Sustainable Land Use

- a. *Land Conservation*: Acquiring conservation properties on an interim basis in order to efficiently safeguard these properties for wildlife, recreation or historic significance through the conveyance of such properties to government agencies or conservation partners.
- b. *Working Forest Protection*: Conserving large tracts of privately-owned timberland, known as working forests, in the United States by acquiring and managing such properties until permanent protections are put in place that are designed to preserve the productive

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value of the properties as working forests. This may include the implementation of sustainable forest management and securing permanent conservation outcome via deed restrictions / easements. The Fund will seek independent third-party forest certifications such as SFI and / or FSC for working forest properties that exceed one year of ownership.

2. Process for project evaluation and selection: Projects that are funded through Green Bond proceeds will be assessed and evaluated by the CFO and the General Counsel to ensure alignment with this Framework. In addition, all projects funded through Green Bond proceeds follow an internal process that includes review and approval by the Conservation Acquisition Committee, followed by final approval by the Fund's Board of Directors.
3. Management of proceeds: Green Bond proceeds will be separately managed and tracked accordingly by the Fund's Finance Department. Pending allocation, the net proceeds from the offering will be invested in accordance with the Fund's cash management policies. Payment of principal and interest on the bonds will be made from the Fund's general funds and will not be directly linked to the performance of any Eligible Green Projects.
4. Reporting: Starting on or prior to the first anniversary of the issuance date of the Green Bonds and thereafter, throughout the life of the bonds, the Fund will make and keep readily available information on the allocation of amounts equal to the net proceeds from the offering, to be updated annually until full allocation, and as necessary thereafter in the event of material developments. Such information will be made publicly available on the Fund's website (www.conservationfund.org).

This information will include, subject to confidentiality considerations in relation to the projects to which the Fund is subject, descriptions of projects funded, amounts funded per project, date of funding, expected conservation outcomes and any applicable impact metrics (see below).

Relevant impact metrics may include a selection of the following:

- Permanently protected land / waters (acres)
- GHG emissions sequestered (tons CO₂ equivalent)
- Fauna and flora habitat protected (acres)
- Land managed to 3rd party sustainability certification (such as SFI / FSC) (acres)
- Land / waters restored (acres)
- Sustainable wood / timber production volume (tons)

External review: The Fund has engaged an external review provider for a Second Party Opinion on this Framework.

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