

SAIL
VENTURES



The &Green Fund

Investing in inclusive agriculture, protecting forests.

WHAT IS &GREEN?

The **&Green** Fund aims to prove that financing inclusive, sustainable and deforestation-free commodity production can be commercially viable and replicable, thus strengthening the case for a rural development paradigm that protects valuable forests and peat lands and promotes high-productivity agriculture.

VISION STATEMENT

- Tropical forest and peat protected and restored, livelihoods improved, production increased.

IMPACT TARGET

- >USD2 billion of investments catalyzed by &Green.
- 5 million hectares of tropical forest conserved.
- 500,000 households benefiting from the Fund through enhanced yields and incomes, creation of jobs and/or other income-generating opportunities.

INVESTMENT PHILOSOPHY

- Adding quantitative output-based environmental and social inclusion criteria and targets to the financing of commodity production.
- Providing subordinate long-term credit to finance commodity supply chain projects, only in jurisdictions with progressive forest and/or peat protection strategies.
- Attracting commercial investors into such projects by partly mitigating their credit risk and environmental risk (sustainability safeguarding).

INVESTOR BASE

- Bilateral and Multilateral Donors with a climate change agenda.
- Private sector industry actors investing in sustainable supply chains.
- Foundations investing in the private sector to generate a climate change impact.

Environmental Return for &Green

- &Green has an Environmental Return (ER) target of 5 million hectares from the USD 400 million it will invest alongside USD2 billion of commercial capital.
- The ER can be broken down at a project level through a No Deforestation No Peat No Exploitation (NDPE) Policy + a Landscape Protection Plan (LPP) of the Client. Furthermore, IFC Performance Standards (or equivalent) should be met.
- Social inclusion – local communities and/or smallholders - is a critical component of a robust Environmental Return
- &Green will assess every potential transaction with respect to the Environmental Return generated.



- Conserved Forest: existing primary forest protected, i.e. the upkeep of existing natural resources within a forest.
- Avoided Deforestation: the avoidance of converting in-tact forest for production uses through the intensification of existing production resulting in equal output on less hectares.
- Restored Forest: The restoration of a degraded forest to its original state, that is, to re-establish the presumed structure, productivity and species diversity of the forest originally present at a site.



GEOGRAPHIC FOCUS:

- Tropical Forest Countries.
- There are local investment teams based in Brazil and SE Asia, but the Fund expects to source transactions across the tropical forest regions.

SECTOR FOCUS:

- Commodity supply chains which source from tropical forest regions.
- Specifically targeting the soy, livestock, palm oil, and forestry sectors, but other sectors also possible.

FINANCIAL INSTRUMENTS AND CONDITIONS:

- Medium- and long-term subordinate debt.
- Able to participate in project financing mechanisms, new venture structures, green loans.
- Long-term tenors (>10yrs) possible.
- Project sizes > US\$15 million (up to US\$ 200 million+).
- &Green project exposure capped at 25% of total risk.
- ESG conditions pre-investment and progress monitored during project duration.
- Flexible repayment structures are possible, including profit participation, interest rate step-downs, etc.

PRICING:

- &Green aims to be financially sustainable as well as environmentally and socially impactful.
- The Fund has the capacity to absorb high short- and medium-term risk, and thus to test new ideas/innovations together with clients from the commodity supply chain, however it will price the Fund's project return accordingly.
- The Fund can partially discount its pricing for initial environmental and social costs borne by the client in setting up of the project and delivering Environmental Returns (ER).

&Green Project Pricing = cost of capital + transaction costs + project risk premium – ER discount

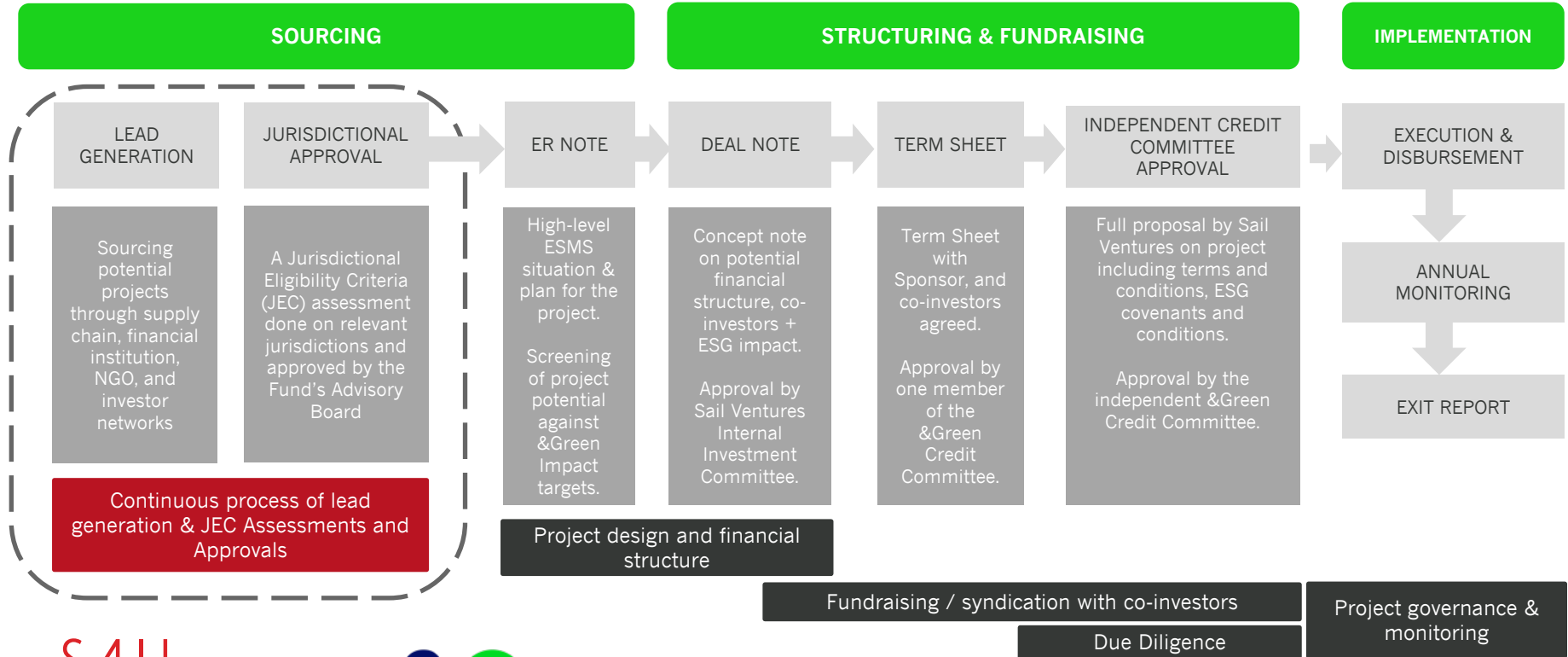
TRANSACTION ORIGINATION & SYNDICATION:

- Sail Ventures B.V., with its partners/advisors, is able to support the Sponsor client in originating, structuring, fundraising and syndicating projects when needed.

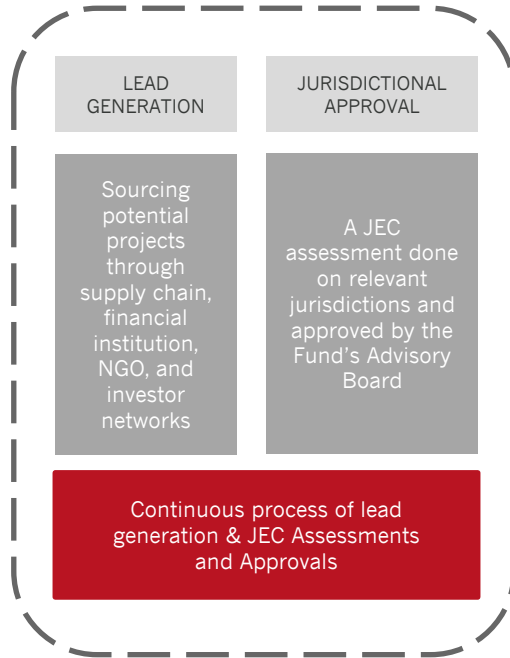
TARGET CLIENT BASE:

- Supply chain companies directly sourcing from and financing land-users (i.e. suppliers).
- Medium and large plantation/farming businesses searching for long-term growth capital.
- Financial institutions managing an agriculture portfolio or similarly influencing land-users.
- Service providers in the commodity supply chain influenced land-use behavior directly.

&Green Investment Process



&Green Investment Process - JEC



- &Green intends to support investment into jurisdictions where local authorities are also committed to the reduction in deforestation, and are actively taking steps to work with the private sector, communities and civil society to protect forest and peatlands.
- Therefore, &Green is able to invest in all **Tropical Forest countries** which meet the Jurisdictional Eligibility Criteria (JEC) of the Fund.
- Jurisdictional Eligibility Criteria 1 & 2 need to be met for any initial approval of a Jurisdiction.

JEC 1

SCOPE – the amount and quality of forest and/or peatland potential of the jurisdiction is significant and highly relevant from a global perspective.

JEC 2

AMBITION & STRATEGY – there is a clear strategy with targets tracking the reduction of deforestation against historic trends in the jurisdiction.

- In Subsequent years the Fund will also assess Jurisdictions based on Criteria 3,4, and 5.

JEC 3

PROGRESS – Timely progress towards milestones indicated in the strategy of the jurisdiction, on a trajectory towards the targets for reducing deforestation.

JEC 4

MRV– a transparent system is operational to monitor, measure, report and verify reductions in deforestation, and where relevant forest and peat degradation, in the jurisdiction.

JEC 5

SOCIAL & ENVIRONMENTAL SAFEGUARDS– progress shows towards implementation of the Cancun Agreement.

&Green Board of Directors & Governance

BOARD OF DIRECTORS



Nanno Kleiterp,
CHAIRMAN OF THE BOARD

Nanno is also the Chairman of the European Development Finance Institutions (EDFI), and the former CEO of the Dutch Development Bank (FMO).



Felia Salim,
MEMBER OF THE BOARD

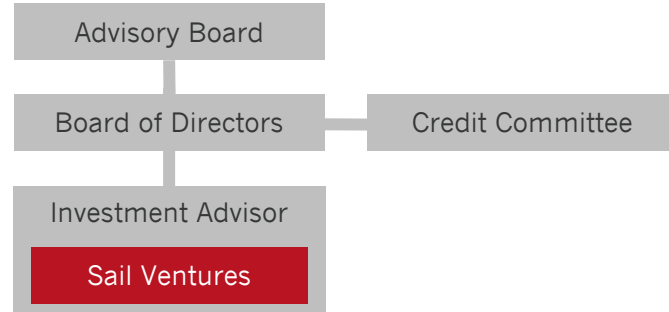
Felia has spent more than 30yrs in banking and finance, including as director of PT Bank Negara Indonesia.



Joost Oorthuizen,
MEMBER OF THE BOARD

Joost is currently the Executive Director of IDH Sustainable Trade Initiative.

GOVERNANCE



&Green has a two-tiered Board, with Contributors to the Fund as well as regional political and business experts representing the Advisory Board. The Advisory Board also approves all Jurisdictions in which the Fund is able to invest.

The Board of Directors is responsible for the management and investment decision making of the Fund. It is appointing an independent credit committee to assist it in making investment decisions.

The Board of Directors further appointed an Investment Advisor to manage the Fund, including all transaction origination, portfolio management, and Fundraising for &Green.

SAIL VENTURES - THE INVESTMENT ADVISOR FOR &GREEN

Sail Ventures is a boutique investment firm, based in central Amsterdam, the Netherlands.

Our mission is to provide investors with long-term sustainable returns, and to support our clients to turn their ideas into on-the-ground execution.

We leverage our expertise in the field of innovative financing and emerging markets, and our relationships across the private and public sectors, to execute investments that deliver material and lasting impact in line with United Nations Sustainable Development Goals (“SDGs”).

Our Values reflect our beliefs and priorities as individuals and as a company.

We are committed to maintaining integrity and humility towards all stakeholders; to be consistent in our actions, to remain focused on shared interests, and to be curious...always.

SAIL VENTURES - THE INVESTMENT TEAM



Johnny Brom is the founder, and Chief Investment Officer, of Sail Ventures. Johnny previously worked on the sell- and buy-side of the investment industry, in South Africa and North America. Prior to setting up Sail Ventures, he spent three years at IDH Sustainable Trade initiative, heading their Innovative Finance team.



Michael Schlup, joins Sail Ventures as the Chief Operating Officer, and lead on ESG. Michael has a broad supply chain experience and has worked in environmental management. He has previously worked for the Gold Standard Foundation, Bunge, and most recently Barry Callebaut.



Erik Peek (left) and Gustavo Oubinha are leading origination of all &Green projects in Brazil (a key focus country). Erik was previously the Country Manager of Rabobank Brazil, and remains a member of the Forest Stewardship Council's finance committee. Gustavo, also worked for Rabobank Brazil, initially as General Counsel and then as Head of Corporate and Structured Finance.

Erik and Gustavo run a financial consulting boutique, Pawa Finance, out of Sao Paolo.



Andrew Beveridge, is an Investment Director at Sail Ventures, specifically focused on origination for &Green across Africa and Indonesia. Andrew has over 35yrs experience in agribusiness management and financing. He has previously worked for CDC, managed a palm oil business in Sierra Leone, and performed multiple investment assignments in developing countries for the likes of IFC, and other international banks.

Key terms of the fund

Legal entity	Stichting (a Dutch foundation)
Domicile	The Netherlands
Fund duration	Evergreen Fund structure
Launch date & capital committed	July 2017 with USD 100 million committed by the Norwegian government
Investment Advisor	Sail Ventures B.V.
Liability terms:	
Fund capital target	USD 400 million invested by 2022
Capital contributions to the Fund	Bi- and multilateral Donors + Food & Bev Companies + Foundations
Asset terms:	
Geographic focus	Tropical forest jurisdictions, including Brazil, Indonesia, Colombia, Peru, West Africa, etc.
Financial instruments offered	Long-term subordinate credit
Transaction size (range)	USD 5 – 25 million invested from &Green.Fund / total project transaction size = >US 15 million
Portfolio of investments	supply chain companies / financial institutions / smallholder projects / project finance structures





Please contact us for more information.

www.andgreen.fund

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