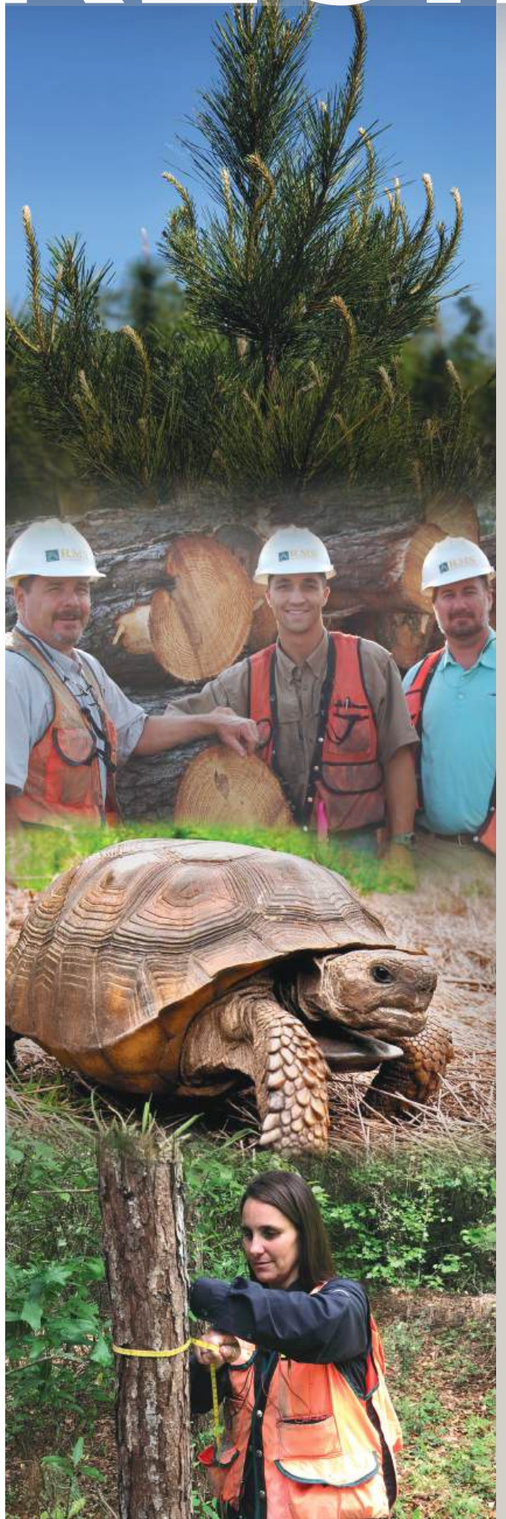
RESILIENCE



2020

GLOBAL
SUSTAINABILITY
REPORT



RMS
Creating Forest Value Since 1950

About the pandemic and the photographs in this report

The photographs in this report show RMS staff members and partners both with and without face coverings. Images showing people not wearing face coverings were either taken before the COVID-19 pandemic or outdoors and under safe and socially distanced conditions.

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Resilience

A Message from Jimmy Bullock

Senior Vice President, Forest Sustainability

We will remember 2020 as a year of turbulence and challenge – for RMS as a company, for our employees and their families, for the communities in which we operate, and for our investors and partners.

From a global pandemic and societal strife to economic hardship and increasing urgency to address climate change – we had our hands full in 2020. Responding to these circumstances required, and will continue to require, resilience. For RMS, this charge fits well with our approach to forestry and forest investment. We work diligently to manage our clients' timberland portfolios in accordance with their investment objectives – and that means ensuring that our business and the forests we manage are resilient.

Resilient, sustainably managed working forests enhance our quality of life through the variety of ecosystem services and wood products they provide.

Resilient, sustainably managed working forests enhance our quality of life through the variety of ecosystem services and wood products they provide. Working forests provide society with building materials, paper and packaging products, green space, and wildlife habitat. They also provide clean and abundant drinking water and sequester carbon – a characteristic that is increasingly important as we work collectively to mitigate climate change. Additionally, the COVID-19 pandemic illustrated the important role sustainably managed working forests play in helping rural communities remain economically resilient.

In the early stages of the pandemic, demand for forest products – everything from bath tissue and paper towels to dimensional lumber and building panels – reached record levels. There was uncertainty about the ability of forest products manufacturing facilities to remain open due to the public health crisis and timber suppliers, like RMS, were faced with the challenge of keeping pace with mill demand while implementing strict and necessary public safety protocols. In response, RMS immediately engaged with forest industry partners and state and federal forestry leaders in the United States and Brazil to advocate for the forestry and forest products industries to be deemed "essential businesses." By mobilizing and coordinating our efforts, we were able to keep the supply-chain moving. We also were able to keep workers and communities safe while preserving the capacity of working forests to support the resiliency of the rural economies where we operate.

As the year progressed, RMS continued to position working forests as an essential, natural solution for making the world more resilient in the face of climate change. In addition, we devoted resources to advancing public recognition of the integral role privately owned forests play in the conservation of at-risk species. Because of these efforts, we are well positioned to continue demonstrating the importance of working forests as a mechanism for creating environmental, social, and economic value.

Throughout 2020, we continued to invest in the resilience of the communities in which we operate by safely involving employees in a variety of charitable and community-focused endeavors, from educating students about forestry and forest ecosystems, highlighting the importance of the forest industry and environmental stewardship, to building housing for those in need through our partnership with Habitat for Humanity. We continued our efforts to demonstrate the importance of building greater diversity, equity, and inclusion (DEI) in the forestry and forest investment sectors, and took meaningful action towards our own DEI goals through the RMS Forestry Scholarship and RMS Forester of the Future Fund, programs focused on helping us recruit students of color and women into the forestry profession.

Vision

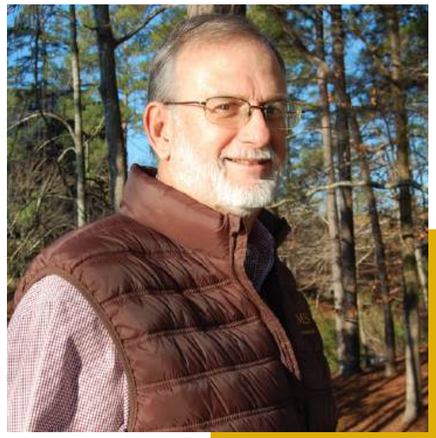
RMS exists to advance the practice of forestry and appreciation for the societal importance of privately-owned forests.

Mission

RMS strives to be recognized as the premier creator of forest value.

Resilience has always defined RMS' approach to business and at no time in our history was resilience more important than in 2020. This report summarizes our commitment to forest sustainability as well as our approach to Environmental, Social and Governance (ESG) engagement. It explains why our ESG commitment matters to RMS and our investors now – and why it will matter even more in the future.

I hope this report helps inform you about how RMS creates forest value by practicing sustainable forestry and by striving to be a responsible corporate citizen. I welcome your thoughts and comments about how well we are succeeding. I can be reached at: **jbullock@resourcemgt.com.**



Sincerely,

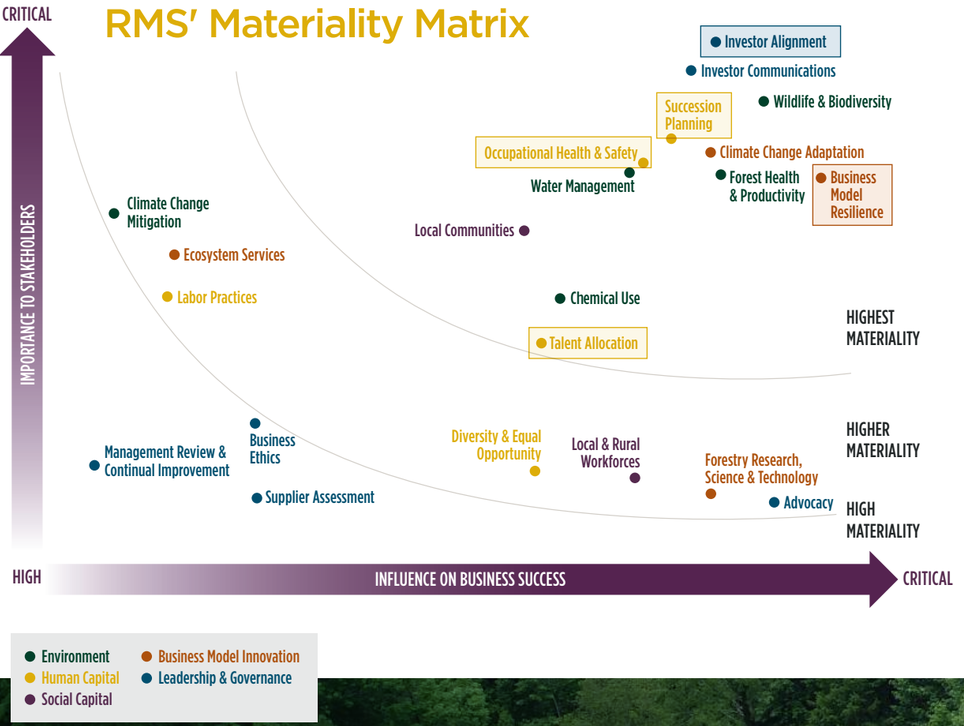


Jimmy Bullock

Establishing ESG materiality

In 2019, RMS undertook our first Materiality Assessment to determine which Environmental, Social and Governance (ESG) topics are most consequential to our stakeholders and for our business. The assessment helped us obtain important perspectives on ESG priorities and performance from our investors, advisors, partners and employees – as well as from members of the labor, regulatory, public policy and academic communities. This was an important step in an ongoing effort to understand how we can bring greater clarity to how we develop business and investment strategy through an ESG lens, and how we track and report our ESG performance.

RMS' Materiality Matrix



RMS' material issues are topics that are important to the fair representation of our significant economic, environmental, or social impacts; and if failed to be disclosed, alter stakeholders' understanding of our business activities. The prioritization of material issues indicates the importance of the topic to our stakeholders and its influence on our business success, both as a private company and on behalf of investment clients. The importance of an ESG topic to stakeholders describes the likelihood, severity, and scale of potential related impacts. The influence of an ESG topic on RMS' business success explains the likelihood and significance of any related impacts. It also identifies the topics over which we have influence and where improvements will benefit our investors.

In 2020, we utilized the findings of the 2019 assessment to set goals, allocate resources and further define our disclosure and reporting priorities. Two areas of particular emphasis were continued prioritization of **Investor Alignment** for our clients, achieved in part through RMS' long commitment to transparency, and enhancing our approach to human capital development, which has an influence on other material topics including **Business Model Resilience, Succession Planning, Occupational Health and Safety, and Talent Allocation.** In 2020, RMS worked towards these priorities in a variety of ways, including enhanced ESG reporting for investors, and through the appointment of additional external members of the RMS Board of Managers.

Among the strategic priorities RMS senior management established for 2020, three were direct outgrowths of insights obtained from our Materiality Assessment:

- Realizing expanded sources of value for clients
- Enhancing organizational fitness through continued improvement of systems and capabilities
- Responding thoughtfully to the challenges of the coronavirus pandemic within the context of ongoing occupational health and safety initiatives

2020 Strategic Priority: realizing and creating value

RMS' long-term resilience and success depend on our ability to deliver targeted operating results; acquire new assets opportunistically in accordance with investors' risk and return profiles; sell assets on a timely basis at economic maturity; and, explore new ways to achieve growth through global opportunities. In 2020, we completed the opportunistic sale of forest investments in Australia and New Zealand prior to the end of fund term to realize compelling market value opportunities. Following these successful sales, RMS remains committed to pursuing opportunities to provide diversification for client investment portfolios.

Green Swamp, RMS North Carolina Region

Sustainable Forestry Certification
affiliations

All forestland RMS manages globally for our investors is certified to one of the leading sustainable forest management standards. We apply disciplined processes to achieve and maintain certification to these standards. Through these efforts, we examine, understand, and comprehensively address ESG risks and opportunities related to our active forest management. Third-party certification also provides valuable external perspectives on what we are doing well and where opportunities exist for further improvement. We strive not simply to comply with these certification standards, but to exceed them.

Since 2019, RMS has participated in both the PEFC Sustainable Forest Management Committee and the task group charged with leading the current Sustainable Forestry Initiative (SFI™) Forest Management Standard Revision process. Jimmy Bullock, SVP Forest Sustainability, was selected to help direct both efforts because of his deep expertise with forest certification. We believe his selection for these leadership roles was due in large part to the broad recognition RMS enjoys within the forest management sector as a thought leader on matters of sustainable forestry and as an advocate for the continuous improvement of forest certification standards. These efforts are essential for advancing the practice of sustainable forestry and they are helping RMS be more resilient as an organization while we focus on producing value-adding outcomes for our clients.

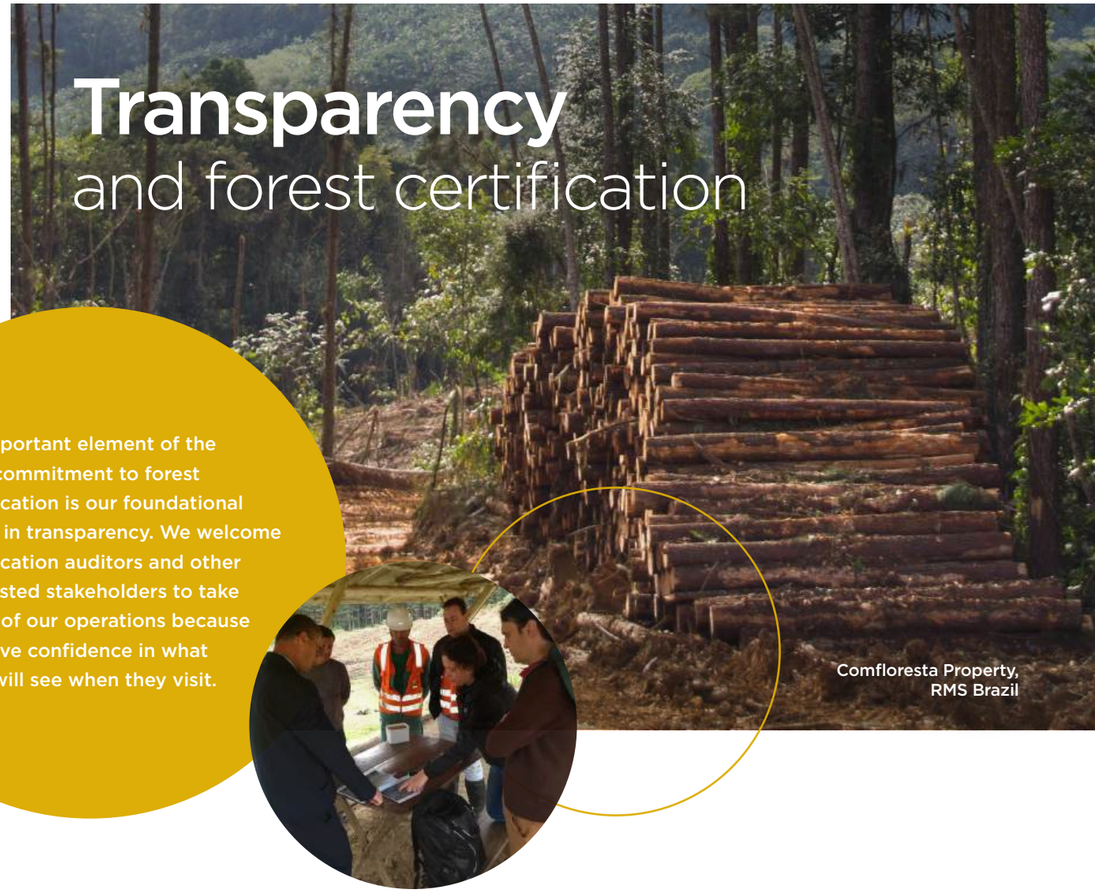
FSC
www.fsc.org
FSC® C132196
The mark of responsible forestry

SUSTAINABLE FORESTRY INITIATIVE
SFI-00029

PEFC
PEFC/29-32-358
PEFC Certified
This product is from sustainably managed forests and controlled sources
www.pefc.org

We strive not simply to comply with these certification standards, but to **exceed them.**

Transparency
and forest certification



Comfloresta Property, RMS Brazil

An important element of the RMS commitment to forest certification is our foundational belief in transparency. We welcome certification auditors and other interested stakeholders to take stock of our operations because we have confidence in what they will see when they visit.

In 2020, we welcomed an auditor from Bureau Veritas (BV) to lands we manage in Brazil for an unscheduled audit. The audit occurred without advance notice and without information being provided to RMS about why it was initiated. We subsequently learned that the audit was prompted by questions relative to RMS' conformance with Forest Stewardship Council (FSC™) Brazil Plantation Forest Management requirements, which were raised by an external party. The audit occurred over a two-day period and included visits to three of the five working forests RMS manages in Brazil. Upon completion, the Bureau Veritas auditor concluded RMS was operating in accordance with the FSC Standard requirements and with our own internal policies and procedures. The audit report made note of the effectiveness of our internal controls and management systems.

More information on the results of the unscheduled audit in Brazil, as well as the findings of our annual external audits to the Sustainable Forestry Initiative Forest Management Standard in the United States and the Forest Stewardship Council Brazil Plantation Forest Management Standard in Brazil can be found in the Appendix of this report. Full reports of all RMS external audit results are available publicly through the websites of the Sustainable Forestry Initiative and the Forest Stewardship Council.



RMS-managed

global forestland

AS OF DECEMBER 31, 2020[1]



1. These figures are inclusive of investment management and property management services.

Contributions to the

SUSTAINABLE DEVELOPMENT GOALS

Beyond forest certification, RMS thinks holistically about the environmental and societal outcomes of our activities. One-way we evaluate these outcomes is by establishing how they contribute to the United Nations Sustainable Development Agenda for 2030. This agenda has identified 17 ways in which individuals and organizations can help make the world healthier, more just, and more sustainable. As illustrated below, RMS believes our approach to business and forest investment contributes to 11 of the 17 UN Sustainable Development Goals.



Given the focus of RMS' business, our greatest contributions to the United Nations' 2030 agenda are made in the realm of environmental sustainability. These efforts are described in detail throughout this report.

RMS' business activities also result in positive outcomes towards the SOCIAL AND GOVERNANCE ORIENTED GOALS:

RMS' operations contribute to the economic health of rural populations by providing jobs and generating commercial activity that has a cascading impact on communities.

RMS makes much of the land base we manage available to the public for recreational and educational opportunities. These include hunting, fishing, hiking, bird watching as well as student and community tours. This access promotes public health, improves quality of life, and sustains long-standing cultural traditions in the communities in which we operate.

The relationships we build with partners from the forest sector and the conservation, recreation and public agency communities enable us to undertake initiatives that produce a variety of positive outcomes for the communities in which we operate - outcomes that also support one or more of the UN Sustainable Development Goals.

Tallapoosa River, RMS Central Region

Sustainable forest management entails understanding the inter-relatedness of ecological systems. At RMS this means maintaining a sharp focus on managing healthy and productive forests – forests that are resilient, that support functioning ecosystems, and that provide a host of benefits to society while also generating investment performance that supports our clients' financial objectives.

Among other things, this requires managing forests to promote ecosystem resilience, improve water and air quality, protect wildlife habitat and soil productivity, and conserve biodiversity. We do these things by:

Tracking the volume of carbon stored in the forests under our management; estimating the long-term storage of carbon within the renewable wood products that are produced from harvested timber volumes; and, exploring ways to increase the level of carbon that is sequestered in accordance with our clients' financial and ESG objectives

Maintaining forest roads and harvesting timber in ways that appropriately consider landscape conditions and aesthetics for surrounding communities



Protecting streams and sensitive riparian and wetland resources from runoff, siltation and other types of pollution and site degradation

Identifying, enhancing, and preserving sites with special cultural and historical attributes

Enhancing wildlife habitat and protecting both abundant and less common at-risk or threatened and endangered species

Considering the sustainability of all forest management activities using a disciplined and data driven approach at both stand and landscape levels

Utilizing fertilizers and herbicides carefully and at their lowest effective application rates to achieve management objectives

Adhering to all laws and regulations governing forest operations and exceeding the forest certification standards for the lands we manage



Quantifying new growth in RMS-managed forests in the U.S.

Covered Bridge Tract, RMS Central Region

In the United States, the volume of wood in forests under RMS management grew by

10.9 million

tons in 2020. This additional volume was equivalent to the amount of wood fiber that would be required to:

PRODUCE
8.7 billion
ROLLS OF BATH TISSUE

BUILD
240,000
SINGLE-FAMILY HOMES

Advancing species conservation

Species conservation is an important dimension of sustainable forest management and one that RMS believes must be viewed through the dual lens of responsibility and risk management.

The protection and perpetuation of wildlife species on the lands we manage is a core responsibility we assume as forest managers. Maintaining appropriate levels of regulatory oversight is a risk management consideration because it can impact our clients' investment performance by influencing our ability to practice sustainable forestry.



RMS is actively engaged in a broad range of species conservation efforts and we maintain strong partner relationships with several prominent conservation organizations, including these:

Working in partnership with these organizations, we create opportunities to practice excellent forest stewardship and leverage the scale of our forest operations to provide habitat for common, at-risk, and threatened or endangered species.

We also work collaboratively with an array of public agencies, including the U.S. Fish & Wildlife Service, the Natural Resources Conservation Service, and state-level departments of natural resources, conservation, wildlife, and environmental protection. Our engagement with these agencies enables us to better manage operational risk by demonstrating that we share the public's interests in species protection and conservation.





Committed to Conservation: RMS' Tony Doster

Tony Doster, RMS' North Carolina Region Manager, supports a broad array of species and land conservation initiatives. Tony is a member of the Natural Heritage Advisory Board, which approves designations of nature preserves and special sites in North Carolina. He also serves on the Board of Directors of the North Carolina Forestry Association – chairing its Forest Management Committee – and is both Past Chair of the Appalachian Chapter of the Society of American Forests (SAF) and an SAF Fellow. In addition, Tony is Past Chair of the Cape Fear Arch Conservation Collaboration and was the 2016 North Carolina Land Trust Alliance Stanback Volunteer Conservationist of the year. Finally, he is a frequent collaborator with the North Carolina Chapter of The Nature Conservancy (TNC) and helped create a state-sponsored refuge for black bears on RMS managed forestland adjacent to TNC's preserve.



Linking forests and climate

Jacksons Gap Property, RMS Central Region

Forests are increasingly recognized by policymakers and institutional investors as a natural climate change solution and efforts are underway globally to optimize their mitigative potential. RMS is actively involved in this work – building relationships, supporting research, and engaging with organizations from the public, private, non-profit and government sectors.

Our ultimate objective is to understand how climate policy related to forestry and forests can create both financial and intrinsic value for our clients, as well as generate meaningful, positive climate outcomes.



Climate and forest **risk management**



Climate change risk management is an area of emphasis for RMS. Our Forest Operations and Investment Management Teams identify management actions to improve the physical and financial resiliency of forests we manage. The teams study the degree to which climate-driven events have the potential to influence the risk profiles of new forestland acquisitions. These events may impact net asset values, so understanding and planning for them in advance is a key management consideration.

Our approach to climate-related risk management focuses heavily on leveraging our relationships with forest productivity research cooperatives and conservation organizations to gain insights into anticipated forest impacts. These learnings serve as the primary foundation for our understanding of climate-related risk. Our active engagement in the development of forest certification standards helps establish guidance on how to sustainably manage forests in ways that mitigate climate challenges.

At an operational level, most of the climate-related risks we manage mirror those that our foresters have managed since our founding over 70 years ago – excessive heat, drought, wildfire, disease, insect infestation, and the impacts of severe weather events. In managing these risks, we draw upon a robust inventory of research and qualitative data, which informs our understanding of the drivers of climate change-related threats, and supports our planning. We put infrastructure and resources in place to support these efforts by establishing working partnerships with other forest managers and with government agencies in that area responsible for providing critical risk management support services like fire-fighting capabilities. In addition, we have implemented comprehensive monitoring procedures to quickly identify and respond to forest health concerns.

At a procedural level, RMS adheres to state and federal Best Management Practices for Water Quality (BMPs) when planning harvest and silvicultural activities. BMPs specifically address maintaining forest roads, water crossings and other operational activities in a manner that protects water quality, all of which can be stressed by climate-related events like flooding. RMS foresters use site-specific inputs, like watershed acreage, to determine how large culverts must be to efficiently move water through the forest assets we manage. They also determine how best to layout road systems, and what materials should be used to construct roads and culverts, to ensure their durability. All of these efforts help make our clients' forests more resilient in the face of climate change-related weather events, especially flooding caused by more frequent storm activity.

ENVIRONMENTAL ENGAGEMENT
LINKING FORESTS AND CLIMATE

Forest-based **climate benefits**



RMS is working to expand the understanding and value of climate change mitigation benefits of working forests among public policy makers. We evaluate carbon storage on lands under our management, work to improve measurement and reporting protocols, and engage with researchers to further develop a collective understanding of the role working forests and renewable forest products play in the carbon cycle.

RMS is active in public policy discussions, encouraging the development of market opportunities that incentivize forest owners to implement sustainable practices which both produce traditional forest products and create carbon storage and environmental mitigation opportunities. Thoughtful and informed forest management, with sustainable timber harvests, supports provisioning of ecosystem services. Long-term sustainable management of working forests provides a multitude of benefits beyond timber volume.

RMS-managed forests and carbon storage

In 2020, assets under RMS management globally stored 197 million metric tons of atmospheric carbon dioxide equivalents. This volume was roughly equal to the annual CO_2 output of[2]:



2. EPA GHG Equivalencies Calculator – available at https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

RMS climate program activities
in 2020

RMS is a champion for the role privately-owned working forests play in addressing climate change – and in 2020, we signed on to the National Alliance of Forest Owners (NAFO) CEO Principles, which are explained later in this section of the report.

RMS is an active participant in the Forest Climate Working Group, a collaboration of businesses, policy advocates, and non-profit conservation organizations that share a collective belief that forests play a major role in mitigating climate change.



RMS Region Managers, Tony Doster, Robby Toombs, and Joey Ferguson

In 2020, Robby Toombs and Tony Doster, RMS Region Managers, became participating members of the Governors' Task Forces on Climate Change in Louisiana and North Carolina, supporting initiatives including:

Encouraging heavy equipment operators, like loggers, to invest in more emissions-efficient equipment.

Promoting participation of forest owners in carbon offset markets.

Encouraging companies to build manufacturing facilities that utilize smaller and lower-value timber products to produce woody bio-fuel pellets for use in power generation in place of coal and other non-renewable energy sources

Encouraging the manufacture and use of climate-friendly Mass Timber products, like cross-laminated timber, which increasingly is being utilized for construction purposes in place of traditional steel and concrete, which have a larger carbon footprint.

Advocating for building codes updates that make it easier for architects and engineers to employ Mass Timber products in their building projects.

In addition to Robby and Tony's involvement in these issues, **Joey Ferguson, RMS Region Manager, served on the South Carolina Sustainable Construction and Energy Independence Advisory Committee,** which provides expert review of green building initiatives in the state.

2020 ENVIRONMENTAL IMPACT METRICS

The following metrics provide a high-level overview of the scale, scope and impact of our global forest operations in 2020.

	UNITED STATES	BRAZIL
TREES PLANTED	37.4 MILLION TREES	3.1 MILLION TREES
INTERMEDIATE HARVESTS	77,600 ACRES	881 HECTARES
FINAL HARVESTS	58,000 ACRES	1,930 HECTARES
STREAMS WITHIN RMS-MANAGED FOOTPRINT	11,300 MILES	1,300 KILOMETERS
STREAMSIDE MANAGEMENT ZONES (SMZS)	388,500 ACRES	28,100 HECTARES OF PROTECTED NATURAL AREAS
EDGE HABITAT WITH SMZS	29,000 MILES	4,500 KILOMETERS OF EDGE HABITAT WITH PROTECTED NATURAL AREAS
INTERNAL FOREST ROADS	13,500 MILES	2,600 KILOMETERS

CO_2 EQUIVALENTS	IMPORTANT ECOLOGICAL AND HABITAT AREAS	WORKING FOREST CONSERVATION EASEMENTS	PLANT SPECIES PRESENT WITHIN RMS-MANAGED FOOTPRINT	BIRD SPECIES PRESENT WITHIN RMS-MANAGED FOOTPRINT	MAMMAL SPECIES PRESENT WITHIN RMS-MANAGED FOOTPRINT
194.8 MILLION METRIC TONS[3] (U.S.)	16,700 ACRES (U.S.)	3,712 ACRES (U.S.)	360 (BRAZIL)	270 (BRAZIL)	150 (BRAZIL)

3. CO_2E for RMS properties under management in the U.S. includes tree biomass, both above and below ground. This measure does not include non-tree biomass within the forest, including soil carbon.

CASE STUDY

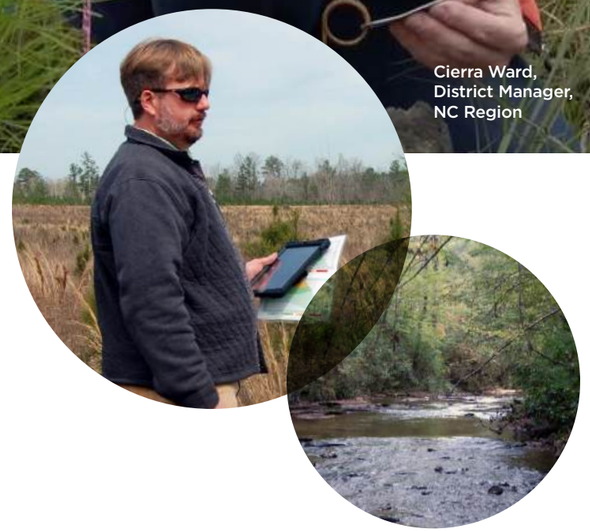
Monitoring the use of **forest chemicals**



Cierra Ward, District Manager, NC Region

RMS implements a robust annual inspection program to ensure that our aerial chemical application activities comply with our internal policies. This program analyzes our contractors' conformance with our policy framework, and documents incidents where they have been out of compliance. It also establishes corrective actions. While we work with all of our contractors to stress the importance of precision chemical applications, we emphasize additional training requirements for those whose past practices have been out of compliance. In 2020, RMS' foresters inspected 424 timber stands across 41,000 acres that had received aerial or ground chemical applications. Of these inspections, **97%** were found to have been conducted appropriately. There were 12 instances of non-compliance, of which the most significant were:

- **Overspray occurred in trees within a single streamside management zone**
- **Chemicals were applied in non-targeted areas in four instances. In two of the four instances, overspray occurred into buffers adjacent to manmade ditches**
- **One instance where chemical drift caused impacts to trees on a buffered property line**



RMS' goal is **100%** compliance with our policies and we will continue to improve our application performance by using the results of our annual inspections, which will be used to provide feedback to contractors, to improve our use of spatial resources to identify sensitive areas, and, where necessary, to utilize alternative techniques so as to reduce operational risks.

CASE STUDY

Supporting **gopher tortoise conservation**

The U.S. Fish and Wildlife Service (USFWS) is conducting a Species Status Assessment (SSA) in the U.S. South for the gopher tortoise in both the western part of its range, where the species is listed as threatened, and in the eastern part of its range, where it is a candidate for listing. Under the auspices of the National Alliance of Forest Owners (NAFO) Wildlife Conservation Initiative, RMS helped convene a stakeholder meeting in 2019 to determine how private forest landowners in the South could best provide information to the USFWS about gopher tortoise habitat conditions and populations. In 2020, RMS joined with other private forest landowners to aggregate these data. This was done under the auspices of the National Council for Air and Steam Improvement (NCSAI) and the Forest Landowners Association (FLA), which removed individual ownership identifying information and presented the aggregated data to the USFWS. Forestry has changed dramatically across the species' range during the last 20 years, with large landowners typically planting fewer trees per acre than was the case under previous ownerships; conducting multiple thinnings during rotations; and, growing trees in longer rotations to produce both sawtimber and pole stock as end products. This type of management creates open forest canopy conditions at intervals throughout the forest management cycle, which allows sunlight to reach the floor of the forest and stimulate herbaceous plant growth. This plant growth offers food for species such as the gopher tortoise – the result being a dramatic increase in their populations in private working forests across the South.

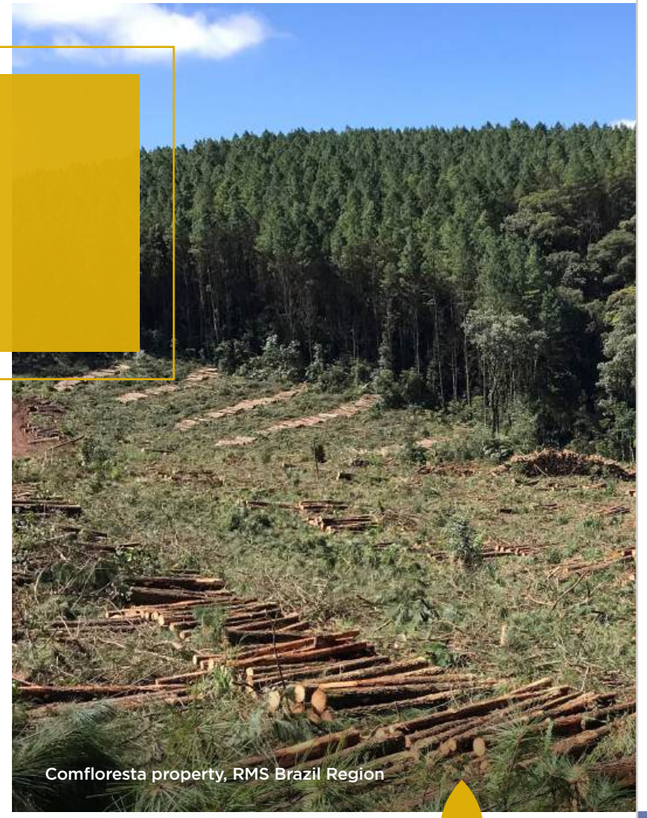


Val Keefer, The Conservation Fund

RMS hopes our engagement in this initiative will help demonstrate to the USFWS the contributions of working forests for the conservation of the gopher tortoise and other species that depend on open forest canopy habitats.

CASE STUDY

Mapping soils in Brazil to protect forest productivity



Comfloresta property, RMS Brazil Region

RMS is focused on conserving the soil attributes and productivity of every forest we manage so we can maintain optimal timber growth rates and take the necessary steps to preserve forest resources. Originally introduced in the 2019 Global Sustainability Report, RMS has now completed an innovative soil mapping project on the lands we manage in Brazil. The soils in the southern regions of Brazil where RMS operates are highly conducive to growing timber, but they also are fragile and must be managed with care. Our mapping project provides important information on the mineral and nutrient composition and the erosion characteristics of the soils that lie beneath the timber stands we manage. This information enables RMS foresters to make more informed forestry decisions. For instance, it will allow us to more accurately calibrate the types of seedlings we should plant in a given area based on the soils and growing conditions. It also will enable us to make more effective and targeted use of forest chemicals. This will not only help reduce the volume of chemicals applied, it also will increase productivity and economic return. Likewise, understanding the erosion principles of the tracts we manage helps us plan when and how to conduct harvest operations to preserve soil quality and integrity.



ENVIRONMENTAL ENGAGEMENT
STORIES OF ENVIRONMENTAL ENGAGEMENT

CASE STUDY

The Longleaf Alliance's Palustris Award

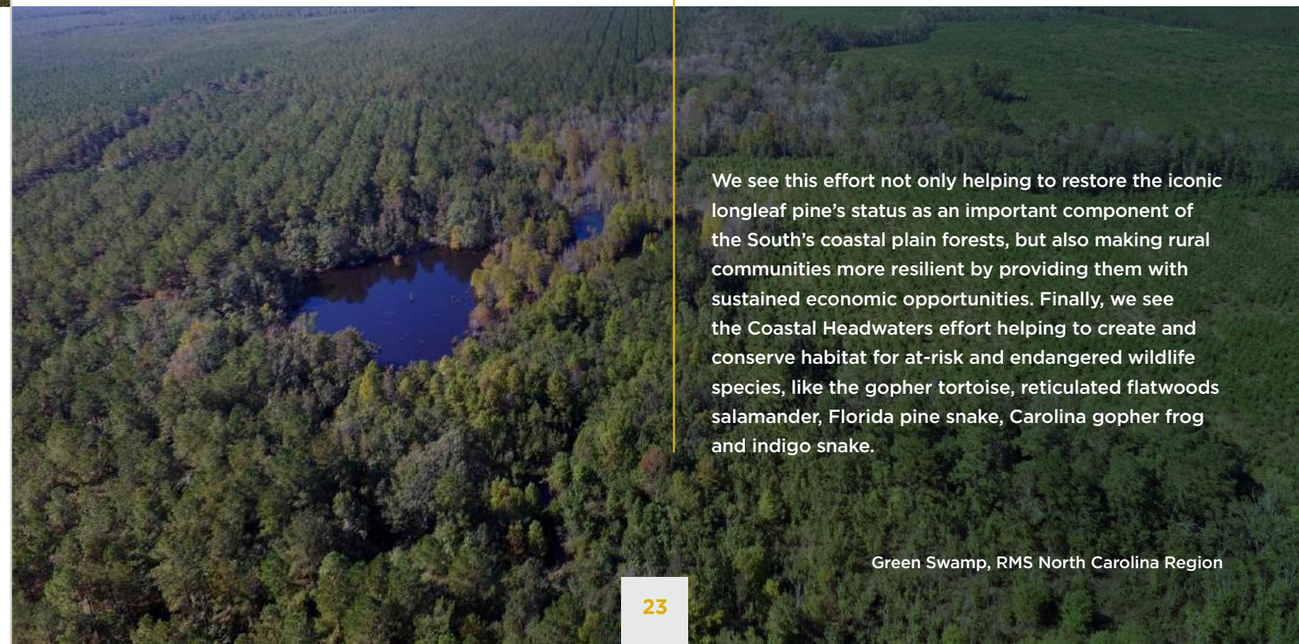
The Longleaf Alliance (LLA) focuses on ensuring a sustainable future for the longleaf pine ecosystem in the southeastern United States. In 2020, RMS was chosen as recipient of the annual Palustris Award for our long-standing commitment to LLA objectives. RMS was instrumental in developing the strategy for "America's Longleaf Restoration Initiative," which envisions restoring eight million acres of longleaf pine ecosystems across the species' historic range in the U.S. Southeast by 2025. While significant strides have been made in recent years, RMS works to further mobilize owners of larger working forests to achieve this goal. In 2015, we created the Coastal Headwaters Longleaf Forest initiative to conserve longleaf pine habitat on working forestlands owned by institutional investors.



THE LONGLEAF ALLIANCE

Working with The Conservation Fund and more than 30 public and private partners, the Coastal Headwaters goal is to restore and conserve up to 200,000 acres in lower Alabama and the Florida panhandle through perpetual conservation easements and other mechanisms.

6,598 ACRES
PERMANENTLY PROTECTED TO DATE



We see this effort not only helping to restore the iconic longleaf pine's status as an important component of the South's coastal plain forests, but also making rural communities more resilient by providing them with sustained economic opportunities. Finally, we see the Coastal Headwaters effort helping to create and conserve habitat for at-risk and endangered wildlife species, like the gopher tortoise, reticulated flatwoods salamander, Florida pine snake, Carolina gopher frog and indigo snake.

Green Swamp, RMS North Carolina Region



CASE STUDY

Supporting **water quality** goals in Brazil

Forest managers play key roles in Brazil in ensuring water quality by utilizing forest management practices that protect and sustain soils and water resources. Since 2019, RMS has participated in the Rio Vermelho Water Producer Program – and in 2020, for the second consecutive year, we received the highest ratings on our evaluation by the program's sponsor, the São Bento do Sul Water Company. Launched in 2011 to promote water conservation in the Rio Vermelho Basin, which supplies fresh water to approximately 75,000 residents of the region, the program provides financial compensation to participating forest landowners. These funds are provided in exchange for land tenure regularization, recovery and conservation of legally required natural areas (Legal Reserves), and the adoption of silvicultural practices that support soil and water conservation. A total of 1,556 hectares of forestland that RMS manages are enrolled in the program. Each year, inspection teams representing the São Bento do Sul Water Company evaluate each property to assess its management against five criteria, which focus on natural area and water resource protection as well as the protection of sensitive areas. RMS is the only timber investment management organization in the region participating in the program.

Comfloresta property, RMS Brazil Region

CASE STUDY

The Forest Landowners Association **Corporate Partner of the Year Award**

The Forest Landowners Association (FLA) represents private landowners who manage their lands with a sustainable approach. It's mission is: " to ensure an expanding economic climate that enables America's forest landowners to prosper from their timber resources" by working to ensure forest landowners are acknowledged for the economic and environmental contributions their working forests make to society. FLA's "Corporate Partner of the Year Award," was given to RMS in 2020 to recognize our leadership in advocacy work that aligns with FLA's mission. RMS' efforts emphasize developing and sustaining deep and diverse markets for forest products, promoting working forests as a natural climate solution, and leading innovative and successful collaborative approaches to conservation of at-risk and listed species. In presenting the award, Scott Jones, FLA CEO, referenced RMS' affiliation with the National Alliance of Forest Owners' (NAFO) advocacy work and our leadership in both NAFO's "Wildlife Conservation Initiative" and the "Conservation without Conflict" efforts.

"RMS has established a legacy by optimizing the biological, financial, and societal values for the forest assets they manage. This approach is not only consistent with RMS' forestry heritage and values, it also aligns with the interests of their investors and our mission here at FLA."

Scott Jones, President and CEO, Forest Landowners Association

ENVIRONMENTAL ENGAGEMENT

STORIES OF ENVIRONMENTAL ENGAGEMENT

CASE STUDY

CEO principles on **working forests and climate change mitigation**

In 2020, RMS was one of 48 initial signatories to the CEO Principles, a collaborative initiative of leading conservation and advocacy organizations established to educate policy makers, the public, and the news media about the critical role privately owned, sustainably managed working forests play in climate change mitigation. The initiative promotes public policies that create and expand market-based initiatives that recognize working forests as important natural capital with substantive solutions for climate change. In addition to promoting the climate change mitigation benefits of forests, the principles emphasize the importance of leveraging the capacity of working forests to provide economically beneficial renewable products and environmentally and societally essential values including clean air and water, wildlife habitat, green space and green jobs. Five prominent conservation and advocacy organizations coordinated the development of these principles – the National Alliance of Forest Owners (NAFO), the Environmental Defense Fund (EDF), the American Forest Foundation (AFF), American Forests, and The Nature Conservancy (TNC).

Craig Blair of RMS and 42 other forest industry executives signed on with 5 non-profit organizations in support of the effort, representing most of the largest forest ownership and management organizations in the United States, which oversee a total of 46 million acres.



We believe that it is our responsibility to conduct business with the broader interests of society always in mind. As a forest investment company, we accomplish this primarily through thoughtful consideration of the ways in which our forest management and investment activities impact the environment. We also strive to enact effective ESG engagement around the social dimensions of forest management, by;

Observing stringent health and safety measures to protect our employees and contractors

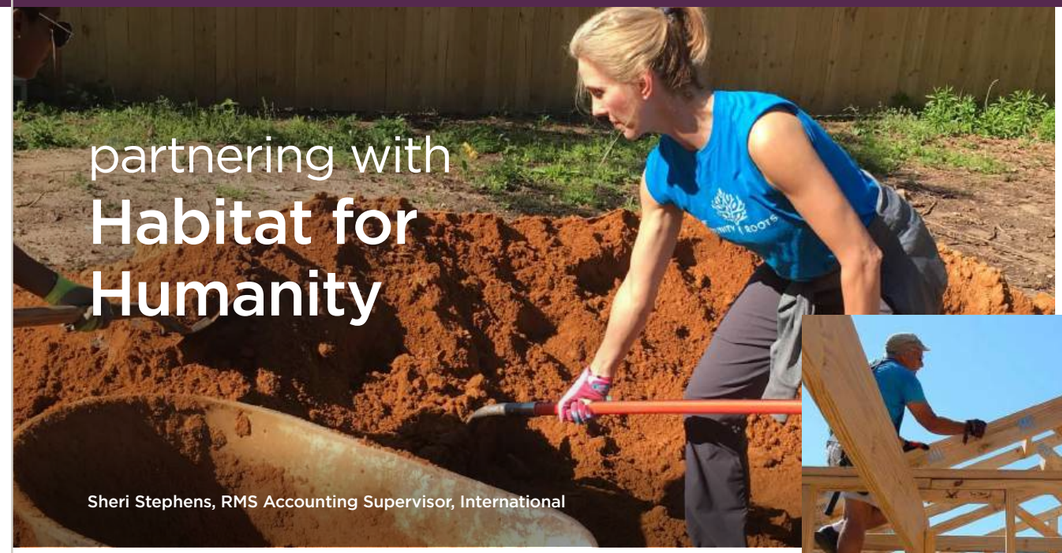
Sharing our professional forestry and forest investment expertise to help improve the sector and profession

Supporting community enhancement initiatives that improve the quality of life for our neighbors in the communities where we live and work

We believe these efforts expand our capacity to manage business risk and meet our clients' investment objectives, as well as build resiliency within communities surrounding our forest operations. Our forest management activities influence the health and well-being of these communities, and we are committed to creating positive impacts.



Charlie Cornish, EVP Operations, Matt Ezekiel, Region Manager, Central Region, Eric O'Connor, Manager of Forestry Operations



partnering with Habitat for Humanity

Sheri Stephens, RMS Accounting Supervisor, International



Craig Blair (L), President and CEO and Brian Golson, International Reporting Manager

RMS has maintained a partnership with Habitat for Humanity since 2018 – working with the organization and utilizing sustainably-grown wood products to build homes for families in need. So far, we have joined Habitat for Humanity in handing three families the keys to new homes – and we have other such projects on the horizon.

Through each project, RMS staff partner with Habitat team members to identify families in the communities in which we work who could benefit from a home. RMS staff also contribute volunteering hours, meaningful direct financial support, and catalyze additional donations of time, funds, and materials by recruiting a wide variety of contributors. Many of our commercial partners, including the mills to which we sell timber, provide funds and donations of equipment and materials, like lumber and paneling products, and site clearing services. Our partnership with Habitat is well supported by our employees, many of whom have donated their time and skills as volunteer workers – with some involving members of their families in our projects.

Our goal is to build at least one new home for a family in need in each of our operating regions and to complete a total of two home-building projects each year. In 2020, we worked with Habitat to build homes for two families – one in Georgetown, South Carolina, and the other in Prattville, Alabama. In the face of the pandemic, we found creative and appropriate ways to undertake these projects while observing all local, state and federal standards of public safety. In 2021, we expect to work on Habitat projects in Texas and Mississippi.

Habitat for Humanity®

2
HABITAT FOR HUMANITY HOMES BUILT IN 2020 IN PARTNERSHIP WITH RMS

36%
OF RMS U.S. EMPLOYEES PARTICIPATING IN HABITAT FOR HUMANITY BUILDS IN 2020

587
RMS EMPLOYEE HOURS VOLUNTEERED WITH HABITAT FOR HUMANITY IN 2020

$50,000
RMS DIRECT FINANCIAL CONTRIBUTIONS IN 2020



Spreading our community roots

In addition to our Habitat for Humanity partnership, the RMS Community Roots program provides financial resources and in-kind support to philanthropic, community, and educational efforts to which our employees commit their time and energy.

RMS employees devote hundreds of hours to such endeavors each year – reaching into their communities to lend a hand and volunteering to share their knowledge and expertise with organizations committed to forest sustainability and the forestry profession. Many of these efforts are long-term commitments. For instance, Allen Jones, RMS Forester, has worked with the Busy Bee Garden Club for the past decade. Together, Allen and the Club donate butterfly kits to local third-grade students to teach them about the natural world. Unfortunately, in 2020, the project had to take on a new look because of the coronavirus pandemic, which prevented students from directly participating in the release of the butterflies. However, their teacher at the Fellowship Elementary School, Erin Masters, was undaunted. Demonstrating her creativity and resilient approach to teaching, Ms. Masters shot video and photographs of the event so she could share them with her students remotely.



RMS® COMMUNITY ROOTS

Here are some other examples of

RMS employee volunteers in action

during 2020.

Brad McLauchlin, Area Manager, and Jeff Green, Forestry Manager, led a class of 80 architectural students from Auburn University on a forest tour to increase their awareness of wood as a renewable building materials as well as their understanding of the social and environmental benefits of active forest management.

Mike McCorvey, Greensboro District Manager, hosted a forest tour and educational session in February 2020 for students of Alabama A&M University, which focused on active forest management, timber harvesting and wood production, processing, and utilization.

Despite the pandemic and the interruptions it created, the RMS Team in Jena, Louisiana hosted Louisiana Tech's Forestry Summer Camp students for a safe, and instructive forest tour.

RMS employees in Texas pitched in after the communities in which we operate were affected by destructive tornadoes – preparing meals for first responders and community members.

RMS team members in Prattville, Alabama spoke to students at Fayetteville High School about the use of GPS and GIS technologies in forestry – demonstrating the use of technical applications to make more informed forest management decisions. We feel it's important to build interest in forestry among high school-age students, to further develop a rich pipeline of talent and support our diversity, equity, and inclusion objectives.

Victoria Lockhart, Manager ESG, completed a fellowship through the National Conservation Leadership Institute (NCLI). NCLI Fellows are a network of conservation leaders from federal, state, and tribal agencies, and private organizations who are committed to addressing conservation challenges collectively. Jimmy Bullock, SVP Forest Sustainability, is a founding board member with NCLI.



Bob Naeger, Mississippi Area District Manager, led an educational session for Boy Scouts on wood products production and hosted the presentation of their American Pulp & Paper merit badges.

Various RMS team members were tapped to provide leadership within the broader professional forestry community. In 2020, Cierra Ward, White Oak District Manager, and Danny Norman, Director Resource Marketing, were appointed by their respective Governors to serve on the Board of Registration for Foresters in North Carolina and Alabama, respectively. Chuck Harrell, Director of U.S. Investments, participated in the South Carolina Forestry Association's first Young Professionals Committee, which was established to guide young foresters by providing opportunities for them to share information, collaborate and network. Daniel Crawford, Manager Client Services and Business Development, completed his term as President of the Alabama Chapter of the Society of American Foresters.

Catalyzing diversity, equity, and inclusion

In 2020, RMS CEO Craig Blair headlined a session of the "Who Will Own the Forest" conference, entitled, "A More Equitable, Inclusive and Diverse Timberland Investment World: How to Move from Interest to Action."

The annual conference, which is organized by the World Forestry Center (WFC), went virtual in 2020 and Craig was joined on the panel by Jeff Nuss, President and CEO of Greenwood Resources, and Dr. Thomas Easley, Assistant Dean for Community and Inclusion at the Yale School of the Environment.

RMS has chosen to address the issue of Diversity, Equity, and Inclusion (DEI) through recruitment and the further development of our talent pipeline. This is in response to the fact that, historically, the U.S. forestry sector has been overwhelmingly populated by white men. Although the non-profit conservation and natural resource-focused public agency sectors both tend to have more diverse forestry workforces, in general, the forest products industry and the forest investment sector have struggled to successfully address DEI issues.

During his remarks to the World Forestry Center's audience, Craig Blair noted that when organizations fail to recruit, promote, and otherwise include women and people of color, they miss valuable opportunities to make more informed business decisions because they lack the perspectives, experiences and talents of a majority of the population. This is the reason RMS has launched its Forestry Scholarship and Forester of the Future Fund programs – to attract people from under-represented demographic populations to the forestry profession and engage our forest sector peers to promote and support a diverse forestry workforce.



"There is no silver bullet with diversity, equity and inclusion in forestry. We have to develop a pipeline of women and minority forestry graduates, but we also have to begin educating students at younger ages about career opportunities related to the environment. This can happen through programs like Project Learning Tree, which provides excellent environmental education for children in grades K through 12. It also can happen by facilitating educational tours and experiences that will allow children and college students to learn about forests and forestry – something we at RMS have prioritized. Interestingly, we think climate change could play a key role in helping the forestry community address its DEI challenges because it is exposing all of us – regardless of our backgrounds and where we live – to the important role our forests can play in helping us mitigate global warming. Ultimately, we hope this will lead a more diverse collection of people to consider careers in forestry."

Craig Blair,
President and CEO, RMS

2020 SOCIAL IMPACT METRICS

- 1,024 EMPLOYEE VOLUNTEER HOURS
- 21 COMMUNITY EVENTS
- 106,000 HUNTING AND OUTDOOR RECREATIONAL OPPORTUNITIES
- 14,991 JOBS SUPPORTED IN THE U.S.[4]
- 6 FOREST TOURS HOSTED
- 21 EDUCATIONAL LECTURES AND PRESENTATIONS GIVEN TO FORESTRY STUDENTS AND PROFESSIONAL GROUPS
- $615,751,660 U.S. PAYROLL SUPPORTED IN THE U.S.[4]
- $1,821,621,935 SALES AND MANUFACTURING DRIVEN ECONOMIC ACTIVITY[4]
- 12 SCHOLARSHIP RECIPIENTS SINCE 2018
- 2 FORESTER OF THE FUTURE PARTICIPANTS SINCE 2019
- $65,000 SCHOLARSHIP FUNDS DISBURSED IN 2020
- $195,000 SCHOLARSHIP FUNDS DISBURSED SINCE 2018

4. Data provided by National Alliance of Forest Owners

Jacksons Gap, RMS Central Region

RMS forestry scholarship

The RMS Forestry Scholarship program is offered through several highly-regarded forestry programs in the United States. Each year, RMS provides up to $100,000 of funding to support participants for each of their last two years of undergraduate study. The program provides recipients with a paid, full-time summer internship, and pairs scholarship recipients with employee mentors.

RMS Forestry Scholarship Recipients 2020-2021

Madison Dezarn
North Carolina State University
Bachelor's of Forestry Candidate
RMS Mentor: Cierra Ward,
White Oak District Manager



Russell Turner
Auburn University
Bachelor's of Forestry Candidate
RMS Mentor: Daniel Crawford,
Manager, Client Services and
Business Development



Samantha Avery
Mississippi State University
Bachelor's of Forestry Candidate
RMS Mentor: Jeffery Hutchinson,
Delta Region District Manager



Taylor Linke
Louisiana Tech University
Bachelor's of Forestry Candidate
RMS Mentor: Layne McGuffee,
Delta Region Forestry Manager



The RMS mentors develop supportive relationships with the participating students through formal meetings and informal interactions – providing academic and career advice and ensuring they benefit from real-world work experiences that will prove beneficial as they approach graduation.

The RMS Forestry Scholarship Program is open to all qualified candidates and particular emphasis is placed on recruiting students of color and women – demographic groups that historically have been, and continue to be, under-represented in the forestry profession. We define success for the RMS Forestry Scholarship program in supporting students who go on to successfully pursue meaningful and long-term careers in forestry. While we hope this program benefits RMS directly through the hire of the future stars of the profession, our hope is that this program furthers the goal of broader representation and leadership of women and people of color in the forestry sector.

Over the course of the program, which was launched in 2018, 12 students have received RMS Forestry Scholarships. Three recipients have been offered full time positions with RMS following graduation, and two have accepted and joined the RMS team. In 2020, Natalie Lang, who studied Forestry at Louisiana Tech, joined the RMS team in Jena, Louisiana, as a Resource Forester. In 2021, Samantha Seamon, currently studying Forestry and Economics at Mississippi State, will join the RMS team in Lufkin, Texas, also as a Resource Forester.



RMS Forester of the Future Fund

The RMS Forester of the Future Fund is operated in collaboration with North Carolina State University's School of Forestry and the Environment (NC State).



As with the RMS Forestry Scholarship Program, the program also focuses on providing financial and career support to an undergraduate or graduate student studying forestry or a forestry-related field.

RMS works with the NC State faculty to identify prospective candidates, some of whom may be transfer students from historically Black colleges and universities (HBCUs), as well as students who are members of organizations including, but not limited to, Minorities in Agriculture, Natural Resources, and Related Sciences (MANRRS), the Doris Duke Conservation Scholars Program, and the Ecological Society of America's SEEDS program. RMS' 2020 Forester of the Future funding recipient, who is the program's first student, Austin Cary, also participated in the RMS Internship Program, working in our Prattville, Alabama office during the summer of 2020. Austin transferred to NC State from Tuskegee University in Alabama and is pursuing a Master of Forestry.

RMS Forester of the Future Fund Recipient 2018 to 2020: Austin Cary

- North Carolina State University and Tuskegee University
- Master of Forestry Candidate
- RMS Mentors: Cierra Ward, White Oak District Manager and Keith Luker, Prattville West District Manager

CASE STUDY

A conversation with Russell Turner

RMS Forestry Scholarship recipient and intern
Auburn University



How did you find your way to forestry as a field of study?

I had planned to study political science and then go to law school, but a friend whose father was involved in forestry exposed me to the profession and suggested I consider it for a career path. I decided to give it a try and I've never looked back.

Did you have any outdoor or environmental experiences growing up that might have conditioned you to be open to a career in forestry?

Unlike a lot of foresters who come from rural areas, I grew up in a city – Montgomery, Alabama – and didn't get to experience the real outdoors very much. I liked to fish when I was young, but by the time I got to high school I was more focused on academics and sports – particularly baseball. That changed when I interned for RMS last summer. I got to work outside in the forest and the people in my forestry program at Auburn also introduced me to hiking and hunting. I also took up fishing again. I found that I really enjoyed these experiences and I'm thankful to RMS and my friends.

What has your experience been like as an RMS Forestry Scholarship recipient?

I'm very grateful for the financial support. It has meant that I don't need to take out loans, which will make all the difference when I graduate. I've always worked hard in school and done well academically, but being a scholarship recipient provides even more motivation to perform.

What was your RMS Internship like?

I did my first internship last summer in the Prattville Region and then went back again in December during winter break. When I showed up in Prattville, I hadn't even taken a forestry course because I had to fulfill my core requirements first. I knew nothing and was a bit overwhelmed. I thought I would be observing things and running errands, but my manager, Brad McLauchlin, was great. He took the time to introduce me to the basics of forestry. The others in the office did the same. My first weeks on the job I learned how to cruise timber and how do survival checks on young plantations. I also learned how reforestation and harvest plans are developed, how to read maps and use GIS data, and how timber is priced and sold. Within a matter of weeks, I was checking on logging jobs and site preparation and woody release applications. I was able to see how all of the pieces fit and how we sustainably manage clients' forests. I got a really well-rounded forestry education. When I went back to school in the fall and began taking forestry courses, I was way ahead of where I would have been. I'm looking forward to learning even more when I intern again with RMS this coming summer.

Who else did you work and meet with during your internship?

I worked very closely with everyone in the Prattville office and met with my RMS mentor, Daniel Crawford. He reviewed what I was learning and gave me career advice, which I really appreciated. All of us also visited RMS headquarters in Birmingham, where we met with Mr. Blair (Craig Blair, RMS President and CEO) and other members of senior management and learned about what is required to manage timberland investments for our clients. It was all very interesting. Just a great opportunity.

What other observations do you have about your experience with RMS?

I like being part of a team – and that's the culture at RMS. It is a family environment. Everyone is there to help each other. Everyone respects and supports each other. I know as an intern, it was very clear that everyone really wanted me to succeed.

What's next for you?

Well, I'm only a junior so I have another year before I graduate. After that, I'm still unsure. I haven't ruled out going to law school, but going to work immediately in forestry and pursuing a master's in finance are also possibilities.





RMS Interns Marley Smith and Madison Dezarn



RMS Brazil Team and Partners

CASE STUDY

Protecting communities in Brazil

In 2020, RMS provided annual fire prevention and control training in Brazil to enhance protection of our clients' assets as well as the surrounding ecosystems and communities. This training included RMS employees and employees of the third-party contractors with which we work. The objective was to ensure readiness in the event that fire incidents require that we mobilize a large fire-fighting work force. In addition to these training activities, RMS also regularly collaborates with local fire brigades, the fire-fighting teams of adjacent landowners, and with nearby municipal fire departments – to which we also have donated fire-fighting equipment. In addition to these more traditional community engagement activities, as the pandemic took hold in Brazil in the spring of 2020, RMS donated protective face coverings to members of the local communities where we operate in an effort to help stem the spread of the coronavirus.





CASE STUDY

The Society of American Foresters

Employer Leadership Award

The mission of the Society of American Foresters (SAF) is to advance the profession of forestry and the practice of sustainable forest management. The society's annual Employer Leadership Award recognizes an employer of SAF members that consistently and significantly supports its employees' participation in SAF. In endorsing RMS for the award, Professor Frederick Cubbage of North Carolina State University's College of Natural Resources (NC State), and a past SAF President said,

"RMS is indeed the epitome of this charge [the SAF's mission], and has made broad and deep contributions to SAF throughout North Carolina and the South."

Professor Cubbage's colleague, Sam Cook, Executive Director of Forest Assets at NC State, and Engagement Chair of the Appalachian Chapter of the Society of American Foresters, added,

"RMS supports employees' involvement in SAF by encouraging their activities, granting them time and resources required to participate in SAF events, and by paying for travel and other expenses they incur as a consequence of their involvement with the organization."

Finally, a third endorser, Ken Arney, Regional Forester For the U.S Department of Agriculture's Forest Service wrote,

"RMS's leadership is well-known across the South for supporting SAF activities as well as encouraging RMS staff to become SAF members and take on leadership roles. As a member of SAF, and in my position with the USDA Forest Service, throughout all of my interactions with RMS, they have demonstrated a passion for advancing the profession of forestry. RMS has a strong desire to make a positive impact to forestland and the professionals who care for our forests"



CASE STUDY

Promoting safe work conditions for contractors and their employees

The health and safety of contractors working on the forests we manage is a priority for RMS. Our comprehensive Contractor Safety Program includes training and reporting elements. In 2020, we advanced our process for evaluating contractor safety performance so that we can more effectively support our contractors in maintaining safe working environments for their employees.

In 2020, we instituted more effective reporting processes to gauge the overall safety performance of our contractors, and to enable us to directly engage with those whose safety efforts could be improved through training and other means. The data and observations gleaned from the first year of our expanded safety reporting effort will enable us to identify key opportunities for improvement. A comprehensive roll up of key statistics and follow up steps from this safety enhancement effort is found in the data dashboard to the right.





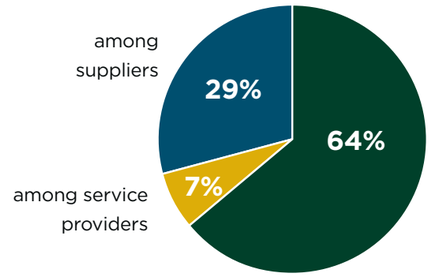
2020 RMS EMPLOYEE SAFETY PERFORMANCE

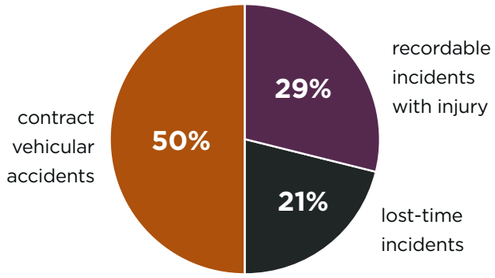
0 accidents and lost time incidents in the U.S. and Brazil

2020 RMS THIRD-PARTY CONTRACTOR SAFETY PERFORMANCE

U.S.

14
INCIDENTS TOTAL





BRAZIL

11
INCIDENTS TOTAL

45
LOST DAYS DUE TO SAFETY INCIDENTS, APPROXIMATELY 0.05% OF TOTAL WORKING DAYS FOR CONTRACTOR EMPLOYEES



U.S. safety program activities

In the United States, to further support contractors, RMS hosts training sessions, shares information with contractors on industry safety trends, and encourages participation in safety training opportunities provided by regional cooperatives, such as the Sustainable Forestry Initiative (SFI) and the Forest Resources Association.

Nick Stinson, Resource Forester, Central Region

Brazil safety program activities

In Brazil, the safety reporting program identified two key priorities:

1. Training for employees of contractors engaged to complete manual harvesting operations. Additionally, RMS is implementing an expanded safety review procedure to analyze the safety behaviors of operators before manual harvesting operations begin.
2. RMS implements additional road maintenance in areas with steep terrain and is revising safe driving and hauling procedures for implementation by contractors and their employees.

At RMS, good governance requires accountability, transparency, and holding ourselves to high standards in how we manage forests, perform as a business, report to stakeholders, and behave as an enterprise. Our goal is to be a trusted and respected organization – among our employees, our clients, our partners, and the public at-large.

The framework we employ to ensure accountability and transparency is based on four principles:

1. **Maintaining an ethical business culture – one that emphasizes adherence to our fiduciary responsibilities and embraces transparency, which is essential for sustaining strong relationships with our investors, employees, partners, and stakeholders.**
2. **Adhering to all laws and regulations of the jurisdictions within which we are active and operating in accordance with the requirements of our sustainable forestry certifications and responsible investment affiliations.**
3. **Pursuing continuous improvement in all that we do – employing strategies for enhancing our human capital and for recruiting and retaining employees with an emphasis on diversity, equity, and inclusion.**
4. **Developing relationships with external partners based on mutual respect – working collaboratively to achieve greater recognition of the importance of forests and forestry for achieving ambitious conservation outcomes.**



Meeting the challenges
of the pandemic

Our 2019 Materiality Assessment identified Occupational Health & Safety as an ESG topic of high importance for RMS – one that had a broad influence on our operations, our investment performance and on the communities where we conduct business. This input heightened our sensitivity to the importance of being proactive in addressing the challenges posed by the pandemic.



CASE STUDY

Health and safety
Resilience in the face of the pandemic

Like every organization and community across the world, RMS experienced disruption with the onset of the coronavirus pandemic. Our primary goal for our pandemic response was keeping our team members and their families safe while accomplishing the investment objectives of our clients. These are some of the steps we took to promote health and safety and to remain resilient as an organization.

1. Emphasized via senior leadership the importance of employee health and safety and encouraged flexibility, creativity and understanding of the firm's business and investment circumstances across all levels of the organization.
2. Implemented thoughtful office closures and sanitation measures, and provided employees with optimal flexibility to work remotely when appropriate in accordance with the guidelines of federal and state public health officials, remaining flexible as evolving conditions of the pandemic varied across our operational footprint throughout the year
3. Utilized communication and data-sharing technologies to provide our team with more virtual meeting and workflow collaboration options, while enhancing our cyber-security suite and employee training on cyber-security issues to reduce the potential for breaches as a consequence of more employees working remotely.
4. Revisited and re-affirmed our sick-leave policy to provide additional support to employees who became ill with the virus, or required time to care for ill family members or to fulfill childcare responsibilities arising from school and daycare facility closures.

Committing to responsible investment

PRI Principles for Responsible Investment

RMS' status as a signatory to the Principles for Responsible Investment (PRI) is one of many ways in which we demonstrate our commitment to sound governance.

RMS became a PRI signatory in 2016 and has consistently earned a

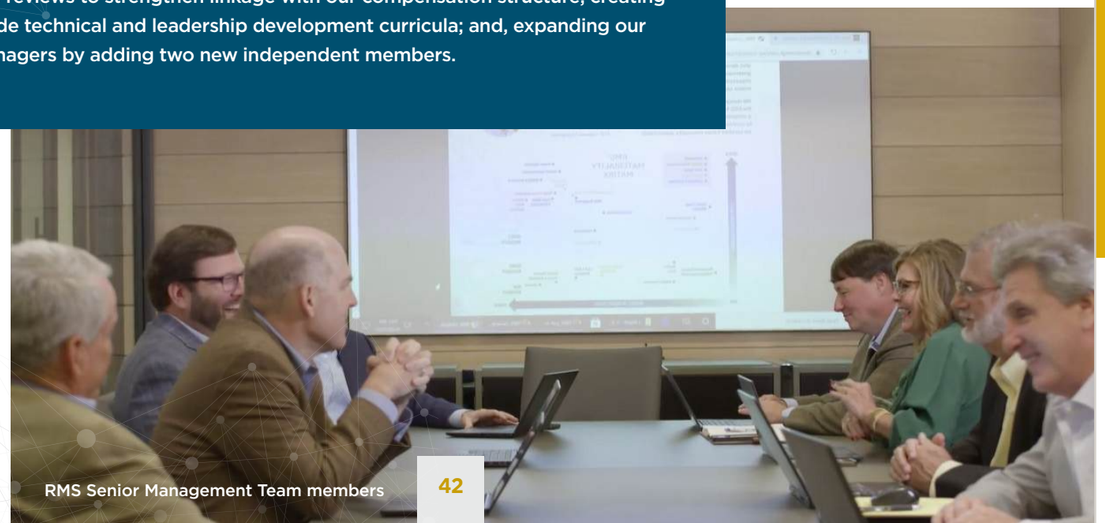
a grade of A

from the PRI for our transparency reporting efforts.



2020 Strategic Priority: enhancing organizational fitness and human capital

RMS is focused on continuous improvement and in 2020 we made enhancing organizational fitness an even stronger focus. This entailed building on recent efforts to further develop our human capital and improve the consistency of our performance in all aspects of our business for the benefit of our investors. Among other things, this work included striving to better align company, team and individual goals through our personal performance development process; using individual and group goals and performance reviews to strengthen linkage with our compensation structure; creating company-wide technical and leadership development curricula; and, expanding our Board of Managers by adding two new independent members.



RMS Senior Management Team members

Partnering to amplify impact



Working with external partners whose goals overlap with ours enables RMS to amplify our impact on issues that are important to our business and clients. This ranges from promoting new markets for forest-based products to advocating for the use of sustainable forestry practices that foster environmental resiliency. We build relationships around these issues with conservation organizations, government agencies, industry trade associations, community groups and professional forestry organizations. We benefit from the diversity of perspectives and expertise these partners offer and this helps us develop more enduring solutions. In each instance, our objective is to be true to our stewardship ethic while transparently pursuing the investment interests of our clients.

In 2020, we joined with other forest industry organizations, under the umbrella of the National Alliance of Forest Owners (NAFO), to advocate for a much-needed adjustment of federal immigration policies governing the admittance of foreign workers who enter the United States on temporary work visas. During the pandemic this was a particularly important consideration for the forestry community because these workers, who plant trees and conduct silvicultural activities such as pre-commercial thinning, are essential for helping forest managers, like RMS, practice sustainable forestry. RMS' trusted relationships within the conservation community helped gain their support for this work, as we successfully made the case tree planting is essential for both forestry and conservation.



2020 GOVERNANCE IMPACT METRICS

20%
RMS EMPLOYEES WITH OWNERSHIP STAKES

78%
PERCENTAGE OF COMPANY EQUITY HELD BY EMPLOYEES

12%
GLOBAL TURNOVER AS PERCENTAGE OF TOTAL WORKFORCE[5]

26%
WOMEN AS PERCENTAGE OF GLOBAL WORKFORCE

7%
WOMEN AS PERCENTAGE OF MID-AND-SENIOR LEADERSHIP

11%
WOMEN AS PERCENTAGE OF EXECUTIVE LEADERSHIP

8%
GENDER DIVERSITY IN U.S. "LINE" ROLES[6]

4%
INDIVIDUALS OF COLOR IN RMS U.S. WORKFORCE

5%
RACIAL AND ETHNIC DIVERSITY IN U.S. "LINE" ROLES[6]

4.94
COMPENSATION RATIO OF TOP EXECUTIVES TO MEDIAN BASE SALARIES[7]

NOTE: Statistics regarding people of color as a percentage of RMS workforce, are available only in the United States, as required by law. This statistic does not include women, except women who identify as members of non-white racial or ethnic groups. RMS adheres to all labor laws of the jurisdiction governing each operational region. This includes laws governing the reporting of employment statistics.

5. All statistics as of 31 December 2020
6. U.S. "Line" roles include all U.S. forest operational roles including the EVP Operations and RMS CEO
7. Mean ratio of base salary of executives to non-executive employees

CASE STUDY

Enhancing transparency, diversity and ESG engagement

at the board level

One of the most important initiatives RMS undertook in 2020 was expanding our Board of Managers by adding two additional independent members.



Rick Dahl, previously served as Chief Investment Officer of the Missouri State Employees' Retirement System (MOSERS), an $8 billion public pension fund. Rick has a strong conservation ethic and an appreciation for the rural economic impacts of working forest assets. Among his other professional and volunteer activities, he currently serves as Chair of the Board of Directors of the National Deer Association, a non-profit organization that focuses on the conservation of wild deer and their habitats. We expect his involvement in charting our firm's future course will enable us to achieve greater alignment and transparency with our investors.



Deborah Spalding, is Co-Chief Investment Officer of Commonfund Asset Management, which has oversight of more than $12 billion of assets. She has decades of executive experience managing assets for institutional investors as well as direct experience in the natural resource investment sector. In addition, Deborah has held board-level positions within the non-profit conservation community, having previously served as Chair of the National Wildlife Federation. Deborah holds a graduate degree in forestry from Yale University and her expertise will enable her to help RMS think more strategically about our approaches to forest investment and ESG engagement, ensuring these are well calibrated with the emerging challenges and opportunities facing our clients.

Deborah and Rick join with RMS' third external board member, Thomas Lamberth, President and CEO of Russell Lands, an Alabama-based company that specializes in developing and integrating lake-front neighborhoods into natural environments. Tom has been on the RMS board since 2006.

The internal members of the RMS Board of Managers are Craig Blair, President and CEO; Alex Hinson, Executive Vice President of Investments; Charlie Cornish, Executive Vice President of Operations; Dennis DuBose, Executive Vice President and Chief Financial Officer; and, Thomas Goodrich, Executive Vice President of Corporate Development.

On resilience and taking the long view

A Message from Craig Blair
President and CEO

Resiliency and adaptability are essential for the health and sustainability of social and ecological systems, whether they be families, communities, companies, markets or forests.

As we have navigated the challenges of the global pandemic over the last year, resiliency and adaptability were abundantly evident in the behaviors of RMS' employees and I am grateful to them for their commitment to meeting our investors' needs.

Our first priority in the face of COVID-19 was protecting the health and safety of our RMS family. While we missed interacting face to face with each other and our investors, we were able to maintain close working relationships through the expanded use of collaboration and communication technologies.

Each of us has been affected by the pandemic. Our routines have been altered and our work and family rhythms have been disrupted. For some of us, the virus has claimed family, friends, neighbors, and co-workers – and each of us has lost the experiences that give our lives joy and meaning – weddings, births, graduations, birthdays, and social gatherings. In spite of it all, we have persevered and remained resilient by taking the long view and envisioning a better post-pandemic world.





Comfloresta property, RMS Brazil Region

I am confident that we will emerge from these times stronger and better able to confront the challenges of the future. The pandemic has heightened our awareness that the world is small and fragile and that we are in this together – and the efforts of our scientists and healthcare workers have demonstrated our capacity to address global challenges with courage, wisdom and resolve. We can use their example to help us tackle other universally-important issues, like environmental sustainability, clean water, equity and inclusion, and climate change.

In my view, there is no doubt that our forests will play a key role in helping us address many of these challenges. In the process, I think the value proposition associated with investing in forests will be enhanced. Here at RMS, we are playing a key role in these evolving circumstances and our deepening commitment to ESG engagement is the best evidence I can offer of our intentions in this regard.

Stay safe and healthy and take the long view.

Sincerely,



Craig Blair



U.S. operations



What we did well

- Implemented comprehensive efforts at the stand and landscape levels of our operations to provide suitable habitat conditions for common and rare, at-risk, or threatened and endangered species.
- Made strategic use of controlled burning to provide significant favorable impacts and outcomes for bird species
- Fully-implemented Best Management Practices for water quality (BMPs) on all harvest areas visited during the in-person audit of forest sites. Auditors noted **"[streamside] management zones were very well established, and erosion control measures were in place on roads and skid trails. RMS makes a conscious effort to minimize stream crossings"**
- Maintained a rigorous herbicide application procedure and demonstrated a long track record of well-executed chemical applications
- Protected soil productivity during silvicultural treatments
- Operated a multi-faceted training program for employees and implemented strong requirements for third-party contractor training
- Maintained appropriate procedures for receiving and responding to public inquiries related to the organization's forest management activities



RMS District Manager, Nick Hindman, RMS Manager ESG, Victoria Lockhart, RMS Resource Forester Nick Stinson, and RMS Resource Forester Reid Grant

What we need to improve

The Bureau Veritas (BV) audit team confirmed that RMS' management systems are in conformance with the SFI standards and all RMS managed forestland in the U.S. continues to be certified. The BV auditors did not find any items warranting the issuance of either Non-Conformance advisories or Opportunities for Improvement.

Brazil operations

What we did well

RMS do Brazil successfully maintained certification to the Forest Stewardship Council forest management standards for all properties under RMS management.

What we need to improve

Improve environmental assessment forms and documentation to create better alignment with paperwork maintained for forest operations

Continue to make progress on delineating and documenting the Varzeão Maroon Area, a high-conservation value forest

Clarify policies and procedures related to waste management, documentation required for wood security and tracking, and vehicle operator safety during loading procedures.

Consider ways to reduce the size of operating procedure field books to make them more useful for field personnel

IN RESPONSE TO THIS FEEDBACK, RMS HAS IMPLEMENTED THE FOLLOWING PROCESSES:

Revising the monitoring documentation and procedures for preparing for forest operations and evaluating activities once completed

Maintain strong communication with government institutions and local communities so that all stakeholders are properly informed on further delineation and documentation for the Varzeão Maroon Area

Strengthening policies and procedures related to waste management, wood security and tracking, and wood loading operation safety measures

Revising field books and eliminating unrelated material



Background on the Forest Stewardship Council's (FSC) unscheduled audit

In 2020, we welcomed an auditor from Bureau Veritas (BV) to lands we manage in Brazil for an unscheduled audit. The audit occurred without advance notice or specific information regarding how it was initiated. The audit was prompted by questions raised by an external party relative to RMS' conformance with Forest Stewardship Council (FSC™) Brazil Plantation Forest Management requirements. The audit occurred over a two-day period and included visits to three of the five working forests RMS manages in Brazil. Upon completion, the Bureau Veritas auditor concluded RMS was operating in accordance with the FSC Standard requirements and with our own internal policies and procedures. The audit report made note of the effectiveness of our internal controls and management systems.

To ensure that the process was thorough and transparent, RMS received just 24 hours' notice of the auditor's arrival – and no information was provided on the nature of the concern that had been raised.

IN SUMMARY, THE AUDITOR:

- Recognized RMS for the effectiveness of our internal controls and management systems and did not issue any written findings in relation to the concerns that initially precipitated the audit.
- Noted one, minor area of non-conformance, which related to our taking longer than the allotted 20 days to resolve a public complaint concerning our operations that had been raised via a phone call to a 1-800 number.
- Noted that the employees and contractors who had been consulted as part of the audit had universally expressed satisfaction with RMS' approach to addressing and protecting their health and safety while on the job.
- Suggested RMS implement a program to require contractors working on lands we manage to have their employees engage in physical stretching and other activities to "limber up" prior to engaging in heavy, manual labor – a practice that is becoming standard labor practice for forestry workers across Brazil.
- Additionally, of the stakeholders interviewed by the independent audit team as part of the audit's social impact assessment, 80 percent spoke favorably of RMS' impact in the region. Only a small number of those interviewed suggested that road dirt from truck traffic entering and leaving the lands we manage was a source of concern.

From a management standpoint, the unscheduled audit demonstrated that RMS' Brazil Team is doing an exemplary job managing our certification system. This lends assurance to our clients, employees and external partners that we are taking our responsibilities seriously as a leading, FSC-certified provider of forest management services in Brazil.



RMS is one of the world's largest and most experienced providers of timberland investment and forestry management services. Our focus is generating optimal, near-term cash yields and long-term asset appreciation for our investors by employing state-of-the-art systems and the most sustainable forest management practices in the world. As an independently owned and operated company, RMS has established a legacy by optimizing the biological, financial and societal values for every asset we manage. Based in Birmingham, Alabama, RMS is a registered investment adviser with $4.2 billion of timberland assets under management in the United States and Brazil.[8] For more information, please visit us at **resourcemgt.com.**

RMS
Creating Forest Value Since 1950

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8. AUM is as of 31 December 2020