GLOBAL SUSTAINABILITY REPORT

ESG PERFORMANCE



RMS

Creating Forest Value Since 1950

TABLE OF CONTENTS

INTRODUCTION **3**

UNDERSTANDING WHAT MATTERS **5**

VALIDATING OUR COMMITMENT **7**

GLOBAL OPERATIONS **8**

ENVIRONMENTAL ENGAGEMENT **10**

SOCIAL ENGAGEMENT **19**

GOVERNANCE ENGAGEMENT **27**

CLOSING MESSAGE **33**

Mitch Coffee, Forest Planning Manager, and Amy McClellan, Forestry Manager

BEING A GOOD NEIGHBOR IN OUR GLOBAL COMMUNITY

A BUSINESS IMPERATIVE AS THE VALUE PROPOSITION FOR INVESTING IN FORESTS EVOLVES

A MESSAGE FROM JIMMY BULLOCK, SENIOR VICE PRESIDENT, FOREST SUSTAINABILITY

This report details RMS' commitment to Forest Sustainability and our Environmental, Social and Governance (ESG) engagement for 2019. It explains why this commitment matters to both our investors and to RMS today—and why it will matter even more in the future.

The theme of this year's report is being a "Good Neighbor in Our Global Community." Being a good neighbor where we live and work has been a core value at RMS for more than 70 years. Today, we must apply this same good neighbor approach to our investment thesis on a global basis.

The value proposition for investing in forests is evolving and expanding rapidly in response to the world's needs. Our ESG performance is increasingly the measuring stick our investors and other stakeholders use to determine whether we are skilled and responsible forest managers. In the future, our ESG performance will undoubtedly influence whether RMS will grow as a company and continue to be a premier creator of forest value for our investors.

The world has always valued forests because the wood products and other natural resources they provide enhance our quality of life. The capacity to monetize these values in the form of building materials, paper and packaging products, chemicals, and renewable fuels has formed the primary financial thesis for investing in forests. In the future, these values will continue to be of great importance, but they may not be the only, or even the most important, contributions our forests make to the world. We face a host of global challenges—challenges that our forests may be the key to addressing. These include climate change, water quality and availability, the conservation of wildlife habitat and biodiversity, the production of lower-carbon sources of energy, and the ability to make our rural communities more economically resilient.

Communities, governments, and businesses around the world are beginning to recognize the role healthy, productive forests play in addressing these challenges. History has shown us that this type of societal recognition leads to the development of new markets, new commercial opportunities and new investment sectors.

We believe this is happening in our world today and that forest investors are poised to benefit. We also believe these trends will help demonstrate the many ways in which forests, and the foresters who manage them, contribute to society.

This is RMS' view of the future of forest investment—an understanding that traditional forest values will continue to be important, but the belief that a broader array of forest-based environmental and social values also will be developed and, where appropriate, monetized.

The capacity to assign financial value to non-timber forest attributes is important because it will lead to greater incentives for conserving ecosystem functions. Recognition of broader definitions of forest value will help keep working forests working.

RMS is focused on supporting and shaping these trends by integrating sustainability and ESG considerations into our business and investment strategies. We see this as essential for the future of our company and the success of our investors—and this belief is reflected in the Vision and Mission Statements we adopted in 2017:

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.



This report shares the progress RMS is making through our forest sustainability activities and ESG efforts as we endeavor to be true to our Vision and Mission. I hope reading this report will help you learn more about how we create forest value today—and how you can expect us to create it tomorrow.

Sincerely,



Jimmy Bullock

WHAT MATTERS

How we strive to be a "good neighbor"

"We demonstrate our stewardship ethic by how we manage our investors' forests. We also do it by building strong, trusting, mutually beneficial relationships with employees, customers, those who live in the communities in which we operate, and with the partners with whom we work to create economic, social and environmental value. Finally, we do it by working to make our profession inclusive and diverse, which we believe will help foster a broader and deeper appreciation for how forests and foresters add value in all of our lives."



Craig Blair
President and CEO

UNDERSTANDING **WHAT MATTERS**

In 2019, RMS undertook its first Materiality Assessment to determine which ESG issues are most relevant to our stakeholders and most influential with respect to our ability to execute our business strategy.[1] This stakeholder engagement helps us understand how our ongoing and future sustainability efforts can best meet the needs of our investors, improve our ESG performance, enhance our prospects for continued business success, and support our efforts to be a good neighbor within our global community.

We are using the results of our Materiality Assessment to make more informed business decisions and to guide our goal setting, resource allocation, and disclosure priorities. This effort entailed partnering with qb., a third-party consultancy, to conduct stakeholder engagement outreach, which included interviewing a representative sample of RMS' investors, advisors and employees, as well as members of the labor, regulatory, public policy and academic communities.

[1]A materiality assessment is the process of defining the environmental, social, and governance topics which matter the most to our business and our stakeholders, and is an opportunity to apply a sustainability lens to business risk, opportunity, and trend spotting management processes. The output of a materiality assessment is used as a strategic business tool.

OUR ASSESSMENT OF **MATERIAL ESG ISSUES**

The results of our Materiality Assessment confirmed much of what we expected given our focus as a forest investment firm. Environmental issues were identified as prominent priorities by all of our stakeholders. However, the assessment also demonstrated the range of social issues and governance practices our stakeholders consider important. These issues are displayed in the matrix on this page.

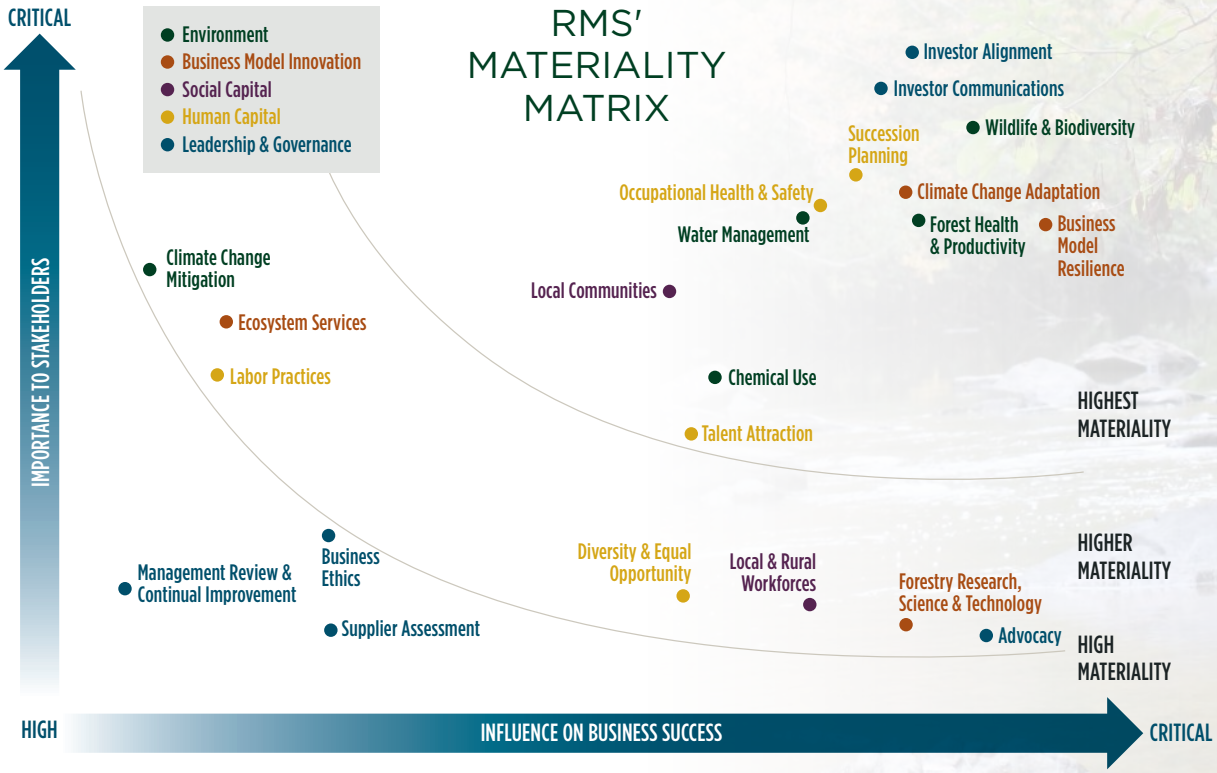
We recognize that as our business evolves so too will the ESG topics that are most relevant to RMS. This is consistent with our longstanding commitment to continual improvement and it will influence how we conduct future materiality assessments.

How sustainability and ESG influence our business

"Our investors are sophisticated and operate globally across business sectors. They see how climate change, water availability and biodiversity loss are impacting the world's population and the global economy. They not only expect us to mitigate the impacts of these challenges by how we invest their capital and manage their forests—they also expect us to innovate, develop solutions, and advocate for them. Our investors understand this is one way new investment value is created. For these reasons, RMS needs to be a catalyst for positive impact around issues of forest sustainability. We simply cannot be a premier creator of forest value unless we are committed to operating with that as a focus."



Tom Goodrich
EVP, Corporate Development



MATERIAL ISSUES

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 which topics over which we have influence and where improvements will benefit our investors.

SUSTAINABLE FORESTRY CERTIFICATION

One hundred percent of the forestland RMS manages for its investors globally is independently certified to one of these leading sustainable forest management standards.

SUSTAINABLE FORESTRY INITIATIVE SFI-00029

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

Responsible Wood

PEFC PEFC/21-23-00 Promoting Sustainable Forest Management www.pefc.org

We leverage the governance structure of third-party certification to systematically address ESG risks and opportunities related to active forest management. Certification also provides us with valuable external perspectives on what we are doing well and where opportunities to improve our forestry practices exist. We strive to exceed these certification standards, not to simply comply with them. In 2019, as in previous years, we successfully completed third-party audits for all assets under management. To this end, we have included summaries of the external certification audit results for all of our operational regions as an appendix to this report.

RMS ENGAGEMENT WITH GLOBAL CERTIFICATION PROGRAMS IN 2019

In 2019, RMS was selected to participate in both the PEFC Sustainable Forest Management Committee and the task group charged with leading the current SFI Forest Management Standard Revision process. RMS was selected for both efforts due to our deep expertise with certification standards, and recognition that we are a respected voice advocating for continual improvement and raising the collective standards of sustainable forestry. We believe our efforts are vital to advancing sustainable forest management outcomes that add financial and ESG value for our investors.

How sustainability and ESG influence our investment strategy

Managing working forests and making them more productive by utilizing advanced forestry techniques is what we do at RMS. But that's not the end of the story. Our work has impacts that go well beyond growing trees. It provides renewable raw materials that make society more sustainable. It creates rural jobs. It provides wildlife habitat, recreational opportunities and green space. Finally, it preserves and protects water resources and can help offset the impacts of climate change. In the past, some of these contributions have not been fully valued by society. In the future, they will be—and that will be good for our investors and working forests.

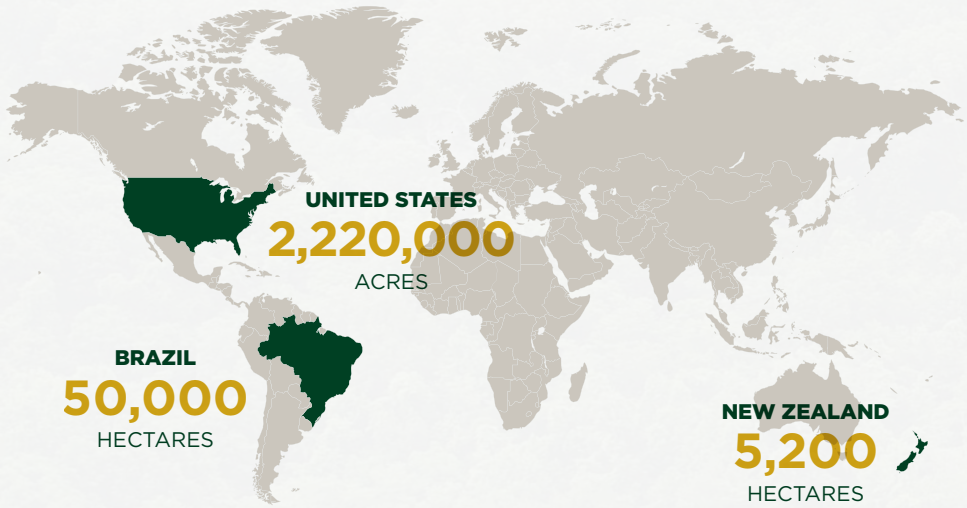


Charlie Cornish
EVP, Operations

GLOBAL OPERATIONS

RMS-MANAGED FORESTLAND

AS OF DECEMBER 31, 2019



RESPONSIBLE INVESTMENT AFFILIATION

RMS is a signatory to the United Nations supported Principles for Responsible Investment (PRI), which strengthens our fiduciary commitment as a forest investment management firm. As a signatory, we adhere to six key principles of responsible investment and comply with a comprehensive annual reporting requirement. Our affiliation with PRI supports our internal ESG governance efforts and positively influences our investment process—from how we acquire and operate forest assets to how we report on our activities.

PRI Principles for Responsible Investment

In 2019, RMS received an "A" grade from PRI for our efforts to comply with these principles. We earned the same grade in 2018 and previously in 2017, which was the first year in which PRI issued graded assessments to signatories. RMS became a signatory to PRI in 2016.



Jeff Green, Forestry Manager

SUSTAINABLE DEVELOPMENT GOAL CONTRIBUTIONS

Another way in which RMS enhances its approach to ESG impact and governance is by sustainably managing our investors' forests in ways that contribute to the achievement of the United Nations Sustainable Development Agenda for 2030. Our activities contribute to 11 of the 17 goals, with our greatest contributions being made in relation to issues of environmental sustainability. Throughout this report, we map our ESG activities to these goals using the UN SDG icons.

Integrating responsible investment principles

"We incorporate ESG issues into our investment analysis and decision-making processes as well as into how we operate and manage our investors' forests. We also support the implementation of the UN-supported Principles of Responsible Investment (PRI) within the natural resource investment sector, in general, because we think it provides a useful framework of best practices for both investors and their investment managers."



Alex Hinson
EVP, Investments



ENVIRONMENTAL ENGAGEMENT

ENVIRONMENTAL ENGAGEMENT

The day-to-day business of forest management is defined by environmental engagement. RMS' work focuses on promoting the health and productivity of our investors' forests. We also work hard to ensure our forest management activities have a positive and lasting impact on ecosystem resilience, water and air quality, soil productivity, wildlife habitat, and the conservation of biodiversity.

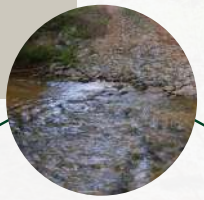
How we view the future of forests and forestry

"Our community is global. What RMS does and how we conduct business has the potential to affect everyone, everywhere. In addition to valuable timber and other renewable products, the forests we manage provide clean water and clean air, support biodiversity and are an important source of climate resiliency. Developing strategies for protecting and monetizing these forest values is how RMS will increasingly meet the needs of our investors in the years ahead."



Dennis Dubose
EVP, Chief Financial Officer

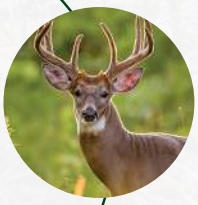
We continuously work to improve how we measure the impacts of our forest management. Among the activities we track are our efforts to:



Protect streams and sensitive riparian and wetland resources from runoff, siltation and other forms of pollution and degradation



Track the volume of carbon stored by forests under our management



Enhance wildlife habitat



Apply the lowest effective rates for fertilizers and herbicides, and in a responsible and targeted manner, to achieve our financial and environmental objectives



Protect environmentally and culturally sensitive areas

2019 ENVIRONMENTAL IMPACT



77,100 acres
final harvest

89,600 acres
intermediate harvest

42 million
trees planted

11,780 stream miles
within RMS-managed properties

392,700 acres
Streamside Management Zones (SMZs)

27,660 miles
edge habitat with SMZs

13,960 miles
internal property roads

196 million metric tons
CO_2 equivalents

17,020 acres
important ecological and habitat areas

3,712 acres
working forest conservation easements



1,730 hectares
final harvest

1,140 hectares
intermediate harvest

2.5 million
trees planted

1,300 stream kilometers
within RMS-managed properties

28,250 hectares
protected natural areas

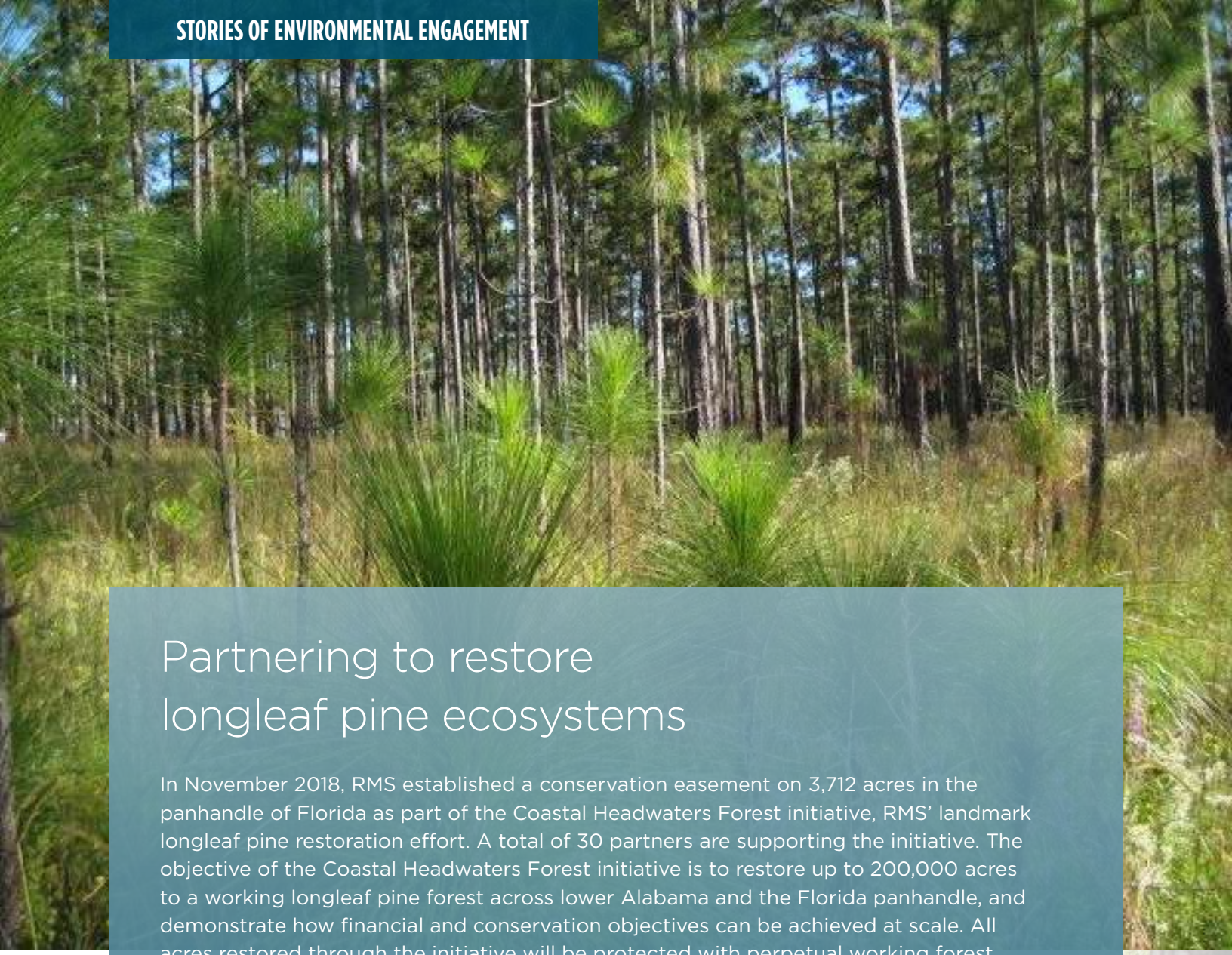
3,940 kilometers
edge habitat with protected natural areas

2,640 kilometers
internal property roads

360 plant species
present within RMS-managed properties

270 bird species
present within RMS-managed properties

150 mammal species
present within RMS-managed properties



Partnering to restore longleaf pine ecosystems

In November 2018, RMS established a conservation easement on 3,712 acres in the panhandle of Florida as part of the Coastal Headwaters Forest initiative, RMS' landmark longleaf pine restoration effort. A total of 30 partners are supporting the initiative. The objective of the Coastal Headwaters Forest initiative is to restore up to 200,000 acres to a working longleaf pine forest across lower Alabama and the Florida panhandle, and demonstrate how financial and conservation objectives can be achieved at scale. All acres restored through the initiative will be protected with perpetual working forest easements, which will help bolster rural economies and support the conservation of at-risk and listed wildlife species. The initiative also aims to protect water quality along 755 miles of flowing streams and four major rivers that feed the Gulf of Mexico. RMS and our partner organizations celebrated the initiative's historic, first easement in April 2019. At the ceremony, Matt Lohr, Chief of the NRCS said of the effort, "What I've learned in my short time as chief is that it is all about partnerships and collaboration... as an agency, when we work with partners it is amazing to see the kind of work that can get done." Lohr went on to say his agency depends on voluntary commitments from partners, like RMS, that are willing to "work for the common good of society." RMS and its partners plan to close two additional Coastal Headwaters Forest easements in 2020.

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS



Jimmy Bullock, SVP Forest Sustainability, presents at the North American Wildlife Conference

Providing leadership for at-risk and listed wildlife

RMS is a leading voice in the Wildlife Conservation Initiative (WCI), an effort of member companies of the National Alliance of Forest Owners (NAFO) to partner with the U.S. Fish and Wildlife Service (USFWS) and other organizations to conserve at-risk and declining species. The ultimate goal is to reduce operational risks while furthering beneficial conservation outcomes for species of concern. In August 2019, RMS facilitated meetings that brought together state forestry and wildlife agencies, forestry and conservation organizations, private forest landowners, and USFWS leaders in Texas, Oklahoma, Alabama, and Mississippi. These meetings built on a rich legacy in the South of private forest landowners working collaboratively with public stakeholders to conserve species and keep working forests working. In part because of the conservation efforts of private forest landowners, the USFWS has determined that more than 200 species present in the USFWS South Atlantic-Gulf, Mississippi Basin and Arkansas-Rio Grande-Gulf Regions have not warranted listing under the federal Threatened and Endangered Species Act. The efforts of the WCI allow collaborators to share ideas and develop commitments for improved coordination around the continued development of tools and proactive strategies for conserving species and biodiversity in the states in which RMS currently operates.

Collaboration for fish and wildlife conservation

"Fish and wildlife conservation does not just happen. It is a job that requires collaboration from all sectors—in particular, from forest landowners. That's why RMS is so important. It is a leader in wildlife conservation whose day-to-day operations never lose sight of the fact that conservation is rooted in the management of working forests. Most importantly, RMS is a strong and trusted partner helping the Service achieve its vision of sustaining species by working with and for the American people."

Leo Miranda
Regional Director, U.S. Fish and Wildlife Service,
South Atlantic-Gulf Region
Mississippi Basin Region

14 LIFE BELOW WATER
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS



Monitoring the use of forest chemicals

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 confining chemical applications to areas targeted for treatment, we give additional attention to those whose past practices have been out of compliance. In 2019, RMS' foresters inspected 494 timber stands across 45,600 acres that had received aerial chemical applications. Of these inspections, 98 percent were found to have been conducted appropriately. There were just 11 instances of non-compliance, of which the most significant were:

+ **Trees were sprayed within a streamside management zone buffer** (no water quality impacts noted)
+ **A small parcel of less than five acres targeted for an application was not treated**
+ **Chemicals were applied in non-targeted areas in four instances**

RMS' goal is 100 percent compliance with our policies and we will continue to improve our application efforts 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.

How data drives sustainable management

"We cannot effectively manage what we cannot measure and that's why our approach to forest investing has to be data driven. We want to make decisions that enhance value and demonstrate that we are operating sustainably because of the major impact this has on long-term investment returns. Providing the tools to quantify and optimize what we do on the lands we manage, and how that influences investment decision making and performance, is a big part of my job at RMS. It is also why I get excited about coming to work every day."



Rodney Howell
SVP, Resource Planning









Communicating the capacity of forests to address climate change

Forests are essential in the fight against climate change. As one of the world's largest managers of private forests, RMS is advocating for public policies that create value for forest owners, including our investors, and that leverage sustainable forestry practices to increase levels of forest carbon sequestration and storage. We are doing this by promoting healthy forest products markets, which provide forest owners with the capacity to monetize their timber resources. This provides them with the economic incentive to continue utilizing sustainable management practices. We also are communicating that in addition to the capacity of forests to sequester carbon, they also provide the raw materials for renewable wood products, like building materials and furniture, which lock up stored carbon. This magnifies the capacity of forests to mitigate the impacts of climate change and results in additional climate benefits when renewable wood products displace more carbon intensive materials, including steel and concrete. Additionally, RMS is continuing to work with leading climate-advocacy organizations and researchers like the Manomet center, which is using forests we manage in North Carolina to develop assessment frameworks to evaluate the impacts of climate change on forest resiliency.

FORESTS AND CLIMATE CHANGE MITIGATION

In 2019, the forests RMS managed in the United States stored approximately 196 million metric tons of carbon dioxide equivalents, which is equivalent to the annual CO_2 output of each of the following:

42 million passenger vehicles

OR

50 coal-fired power plants

OR

22.6 million single-family homes (based on energy use)

3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

15 LIFE ON LAND



Collaborating for clean water in Brazil

In 2019, forestlands RMS manages in Brazil were accepted into the Vermelho River Water Producer Program, a collaborative water quality protection initiative. RMS-managed forests were the first forestlands accepted into the program, which recognizes the role of sustainably managed working lands in providing high-quality water resources to consumers. Through this program, the São Bento do Sul water company compensates the investors RMS represents for implementing forest management practices that protect natural areas and conserve water resources. RMS' efforts are subject to an annual inspection process, which ensures compliance with the program's standards. In total, the program has now enrolled approximately 30 percent of the water basin land area, including all of the lands we manage in the region for our clients. The São Bento do Sul water company supplies water to approximately 75,000 people in the region.





Supporting the American Bird Conservancy

In 2019, RMS continued our participation in the "Managed Forests for Birds" research effort, which is led by the American Bird Conservancy, SFI, and the National Council for Air and Stream Improvement (NCASI). This initiative examines various science-based forest management approaches that create habitat throughout the forest management cycle for a variety of bird species. The collaborative research also is validating the essential contributions working forests make to the forested ecosystems upon which these species depend. Forests managed by RMS near Pensacola, Florida were included in the first and second years of field research for this initiative. The data showed that "managed forests are maintaining a good diversity of birds for the habitats they represent." Diverse bird communities are using managed forests for breeding, and populations of many species are larger on lands managed to the SFI Forest Management Standard. In 2019, researchers observed all 10 species of primary interest on RMS' Pensacola study site, including swallow-tailed kite, wood thrush, and Bachman's sparrow. We will continue to participate in this research effort in 2020, which will include a more in-depth examination of the impacts of prescribed burning on bird populations and the potential expansion of bird counts on lands RMS manages in other states.

68
bird species observed

2,414
individual birds of conservation species observed

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS



Researcher Dr. Itamar Antonio Bognola, EMBRAPA, and field crew survey soils on managed lands in Brazil

Conserving forest soils in Brazil

RMS invests in research to support our forest management activities. In Brazil, we launched a project to identify the role of soil properties, such as structure and drainage, in the development and productivity of individual stands. RMS researchers are partnering with academic experts in Brazil to collect an array of information on soils. This project will provide important data that will inform our efforts to prevent erosion and protect the organic soil layer, which is a key source of site productivity—a measure of an area's potential for growing trees. It also will enable us to further refine our site-specific harvesting techniques. These findings will enable us to make better decisions about how to maximize the productivity, and ensure the long-term sustainability, of our investors' lands, which will have a direct impact on our ability to generate long-tem forest value.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

15 LIFE ON LAND

SOCIAL ENGAGEMENT

RMS is focused on achieving the objectives of our investors. This requires that we be thoughtful about the ways in which our forest management activities impact both local communities and society in general. Failure to do so can introduce reputational, operational, and regulatory risk, which can interfere with our ability to create value.

The forests we manage have a major influence on the quality of life enjoyed by our neighbors and by local communities. Our forestry activities generate jobs, which are often in rural areas where economic opportunities are scarce. They also provide a variety of healthy, outdoor recreational opportunities. Finally, our investors' forests commonly serve as cultural anchors for communities. As a result, RMS' stewardship ethic must encompass more than consideration for the environmental dimensions of the assets we manage. It also must consider the needs and interests of those who live and work near our operations. We strive to be a positive force in the communities where we operate by:

- Ensuring the safety of those who provide us with their labor and services as employees and contractors
- Protecting sites within our clients' forests that have historical or cultural importance
- Engaging with local leaders to increase our ability to contribute to their communities and economies
- Supporting local organizations, educational, and advocacy initiatives that encourage healthy markets, healthy forests and healthy people
- Providing funding and volunteer support for Habitat for Humanity projects and other initiatives that make use of forest products for social good
- Ensuring that our operations do not create unwanted health and environmental impacts

Daniel Crawford, Manager, Client Service & Business Development, Brad McLauchlin, Area Manager and Goodloe Chilcutt, Forester

Why walking the talk on ESG matters

"What we say about ESG and sustainability matters. Our commitment to sustainable forestry and responsible investment has always been intrinsic to how RMS does business. Talking publicly about these subjects is an effort to tell the world we are holding ourselves accountable—that we are giving ourselves a reputation to live up to. In other words, it isn't about marketing or image-building. It is about aligning our actions as a company with our values and being true to our word. Finally, it is also about acknowledging that sustainability and ESG engagement will become more important drivers of value creation for our investors in the future than they may have been in the past."



Mary Kay Greer
SVP, Corporate Communications

Coastal Headwaters Longleaf Forest, Florida. Credit: Amanda O'Donoughue

2019 SOCIAL IMPACT

1,756
volunteer hours

35
community events

102,000
hunting and outdoor recreation opportunities

$175,000
RMS invested in employee training

17
field tours given to student and professional groups

3
guest lectures and presentations to forestry students and professional groups

$80,000
scholarship funds provided by RMS

14,900 jobs
in the U.S., supported by RMS forest management activities[2]

$616 million
in payroll in the U.S., supported by RMS forest management activities[2]

$1.8 billion
in sales and manufacturing, driven by RMS forest management activities[2]

[2]Data Provided by National Alliance of Forest Owners

Grow a Legacy
BULLDOG FOREST
Mississippi State University



Dr. George Hopper, Dean of the Mississippi State University College of Natural Resources and Craig Blair, RMS CEO

Partnering to manage the "Bulldog Forest"

Working to expand ties with the forestry education community is a priority for RMS. In 2019, we initiated a unique partnership with Mississippi State University (MSU) to design and implement a forest inventory management system for the "Bulldog Forest," a 30,000-acre forest asset owned by the MSU Foundation. RMS is providing the analytical systems and forestry expertise needed to integrate cutting-edge inventory management practices into the university's forest planning process. The focus of the partnership is ensuring the long-term, sustainable management of the "Bulldog Forest" for the financial benefit of the institution and the maintenance of its environmental and social values. MSU is a leading provider of applied forestry education in the United States and we are particularly excited that this partnership will include opportunities for MSU forestry students to acquire hands-on experience by working side-by-side with members of the RMS team.

13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS



RMS employees discuss safety with logging contractors

Promoting a safer forestry work environment in the U.S.

In 2019, RMS expanded and improved our health and safety program in the United States. We undertook this effort with three primary goals in mind: First, to improve safety performance and create a safer work environment for employees and contractors. Second, to improve safety training for both employees and contractors who work on the lands we manage for our clients. Third, to benchmark and measure safety metrics for employees and contractors to help promote continual improvement toward our overall goal of achieving a zero-incident workplace. This program covers all contractors engaged by RMS in the U.S., which in 2019 totaled 267 firms. By improving our ability to measure employee and contractor safety performance, and understand the root causes of safety incidents, we will create a more comprehensive foundation for ongoing safety improvement in our workplace.

2019 RMS U.S. SAFETY PERFORMANCE

1 RMS employee lost time accident

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH



Prioritizing comprehensive safety in Brazil

Safety is a major focus for RMS in our international operations. In Brazil, we have implemented a multi-faceted safety program for both our employees and the third-party contractors who provide services on our investors' lands. The program has three pillars: First, we require compliance with all federal, state, and municipal safety laws and we conduct regular field assessments of contractors to ensure compliance. Second, we have implemented an internal monitoring program by RMS' foresters, who record the results of contractor audits on geo-referenced checklists. In addition, RMS' safety manager utilizes a centralized electronic records system to maintain the audit data and to track how safety challenges that have been identified are to be addressed. Third, we have engaged an independent safety consultant to bring an external perspective to our management of the program and to employ the findings of third-party certification auditors to improve safety performance over time. During annual third-party audits, RMS is evaluated on our performance in meeting all applicable laws and complying with regulations involving the health and safety of all workers operating on the lands we manage. This evaluation covers a wide range of issues and topics, including accident reporting and prevention efforts, the availability and quality of personal protective equipment, and, the degree to which ergonomic considerations are accommodated for workers based on their roles and responsibilities.

2019 RMS BRAZIL SAFETY PERFORMANCE

1 RMS employee lost time accident

11 third-party contractor lost time accidents

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH



Cierra Ward, District Manager

Educating about forests and forestry

One of the many ways in which RMS contributes to the communities where we live and work is by supporting the educational efforts of teachers who are working with students at all levels of education. These efforts focus on promoting learning about the environmental and social importance of forests. In 2019, RMS District Manager, Cierra Ward, visited the pre-kindergarten class at the Morton Elementary School in Jacksonville, North Carolina to talk about how trees and forests provide jobs, filter drinking water, clean the air, and provide renewable products that the students use every day. The children also learned how Cierra and other professional foresters plant, grow, and harvest trees while protecting the environment. Cierra helped the students make holiday ornaments from the tree samples she shared and they were very surprised to learn that diapers come from trees!

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS



Auburn University students visiting the Mystery Worm Pond

Protecting special sites in the forest

Each spring, Dr. Robert Boyd, Professor of Biological Sciences at Auburn University, brings undergraduate students to the Mystery Worm Pond as part of a spring field tour of important ecological sites in southern Alabama. RMS protects this unique, virtually undisturbed forested wetland through our "Special Sites in the Forest" program. Students on the tour have the opportunity to experience ecology firsthand; wading into the middle of the swamp, surrounded by cypress knees and water lilies, looking for the occasional floating bladderwort carnivorous plant. Dr. Boyd values the opportunity to visit this site; a well-preserved example of a habitat type that has all but disappeared from the Lower Coastal Plain of Alabama. "Without access to this site," said Dr. Boyd, "I would not be able to find another example that is as well preserved to show the students. It is a very beautiful place that helps the course material come to life."

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

RMS COMMUNITY ROOTS



Mark Bond, District Manager, with a local Scouting troop

Extending roots in our communities

RMS' philanthropic efforts are coordinated through our "Community Roots" program. The program provides financial resources and in-kind donations to support RMS employees and their efforts to engage with their communities. In 2019, our employees supported our Community Roots program by contributing hundreds of hours of their time as volunteers—by leading forest tours and workshops for elementary, secondary, and university students; by serving as mentors to undergraduate forestry students; and, by supporting their communities in a myriad of other ways. Additionally, through our partnership with Habitat for Humanity, it is our goal to build a home in every one of our operating regions in the U.S., and engage in special projects in our non-U.S. operating regions. Our employees and their families also helped build a home for a deserving family in Georgetown, South Carolina. We view our Community Roots program as a manifestation of RMS' values as an organization and as an important avenue for our employees to contribute to the communities in which they live and work.



1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

GOVERNANCE ENGAGEMENT

GOVERNANCE ENGAGEMENT

RMS defines responsible governance as holding ourselves accountable for meeting high standards of ethical behavior and business performance. Our efforts to provide a transparent accounting of our performance over time supports our governance goals, which are anchored by these principles:

1. Maintaining an ethical business culture—one that emphasizes adherence to our fiduciary responsibilities and embraces trust and transparency, which are essential for building strong relationships with our investors and external stakeholders.

2. Adhering to all laws and regulations within the countries, states, and municipalities where we operate, and to the norms dictated by our sustainable forestry and responsible investment affiliations.

3. Pursuing continuous improvement in our investment and forest management functions by employing strategies for enhancing our human capital, including recruiting and retaining employees with an emphasis on diversity and inclusion.

4. Developing relationships with external partners based on mutual respect—working collaboratively to achieve greater recognition of the importance of forests and active forest management for achieving ambitious conservation-related objectives.

How our view of global forest value creation is evolving

"The sustainability of forest resources is a huge issue in the developing world. In places like Brazil and Asia, population growth, rising income levels, increasing demand for industrial and consumer products, and immature environmental regulatory frameworks are putting pressure on forest ecosystems. RMS is in a unique position to demonstrate how the combination of capital, advanced forest management strategies, engagement with local communities, and the embrace of ethical business practices, can result in better and more sustainable solutions."



Charlie Pringle
VP, Investments





2019 GOVERNANCE IMPACT

OWNERSHIP

22% percentage of employees with ownership stakes in the firm

74% percentage of total company equity held by employees

DIVERSITY AND INCLUSION

10.8% turnover globally as a percentage of full-time RMS workforce

23% women as a percentage of RMS workforce, globally

7% women in company leadership roles (mid and senior levels) as a percentage

11% women as percentage of executive team

5.1% minorities as a percentage of RMS U.S. workforce[3]

COMPENSATION DATA

4.7 compensation ratio of top executives to median base salaries (based on base salaries of all RMS employees)





RMS understands the importance of building a diverse and inclusive company and culture. The metrics shared here require continued focus to achieve levels that are more reflective of our society, and to broaden both the perspectives and experience required to move RMS forward.

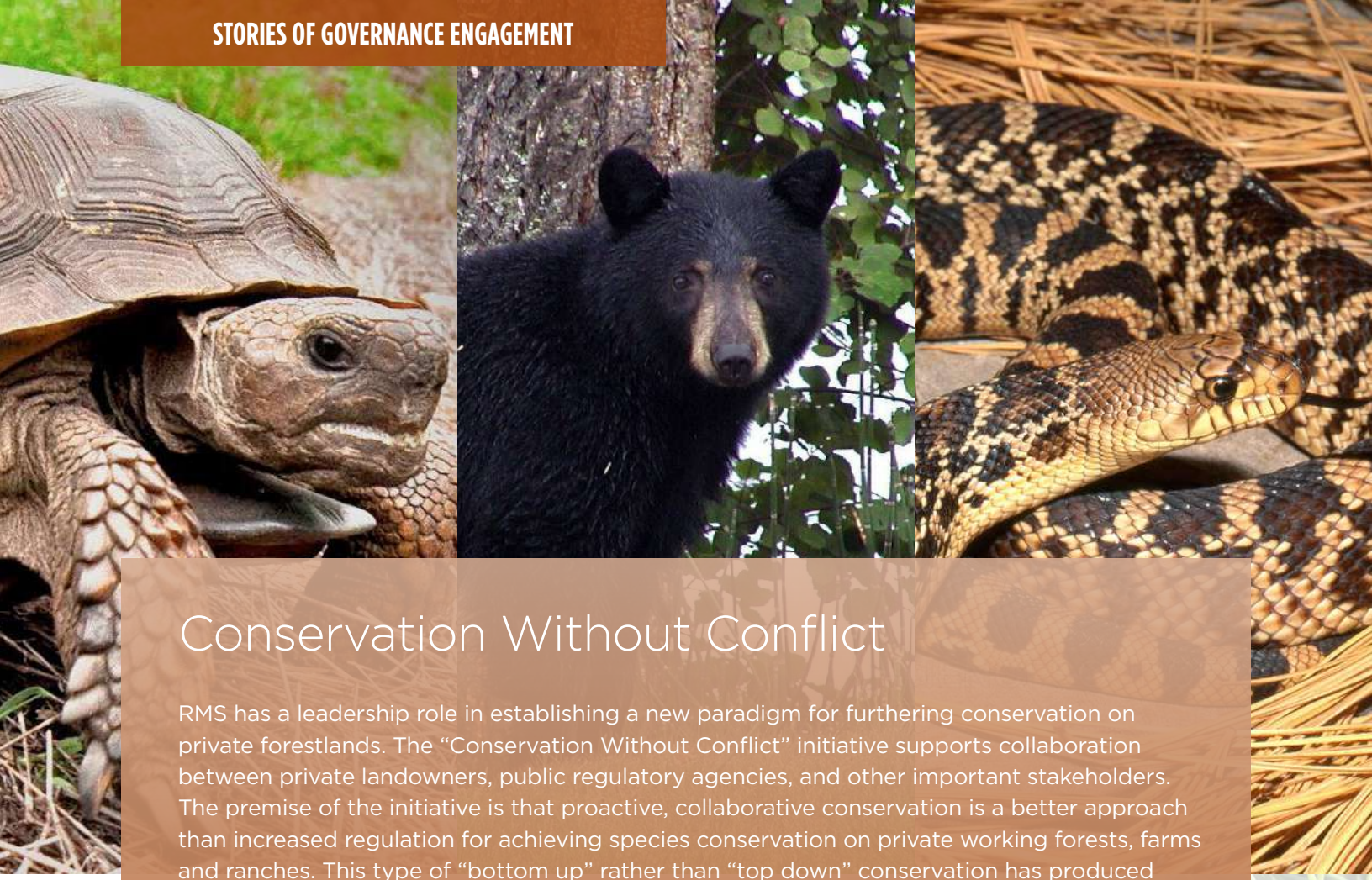


[3] Note: Statistics regarding minority demographic group membership among RMS employees are available only in the United States, as required by law. This statistic does not include women, except women who identify as part of a minority demographic group. RMS adheres to all labor laws of the jurisdiction governing each operational region, including employment statistics reporting

2019 PARTNERSHIP HIGHLIGHTS

External partnerships are a key part of our business approach at RMS. We develop relationships built on trust to further our organizational goals and vision, create opportunities, and manage risk on behalf of our investors. We form partnerships with community organizations, research institutions, conservation collaboratives, and government agencies to address the following topical areas:





Conservation Without Conflict

RMS has a leadership role in establishing a new paradigm for furthering conservation on private forestlands. The "Conservation Without Conflict" initiative supports collaboration between private landowners, public regulatory agencies, and other important stakeholders. The premise of the initiative is that proactive, collaborative conservation is a better approach than increased regulation for achieving species conservation on private working forests, farms and ranches. This type of "bottom up" rather than "top down" conservation has produced meaningful outcomes for endangered and at-risk species, such as the Louisiana black bear and the Louisiana pine snake – and we at RMS hope it will do the same for the gopher tortoise and other species that are found in the forests we manage. For RMS, "Conservation Without Conflict" embodies the future of species conservation and we see it empowering us as forest stewards to ensure that we are operating in an environment that enables us to create value for our investors by reducing the type of regulatory risk that previously was associated with government-mandated species conservation initiatives.

CONSERVATION WITHOUT CONFLICT STEERING COMMITTEE MEMBERS

RMS Creating Forest Value Since 1950 · U.S. Fish & Wildlife Service · National Wildlife Federation · NAFO National Alliance of Forest Owners · Wildlife Management Institute Established in 1911 · Wildlife Mississippi · Theodore Roosevelt Conservation Partnership · CKD

14 LIFE BELOW WATER · 15 LIFE ON LAND · 17 PARTNERSHIPS FOR THE GOALS



Recipients of the RMS Scholarship Program

Supporting the next generation of foresters

Recruiting talented people to the forestry profession, and to our organization in particular, is a major priority for RMS. Additionally, we seek to recruit from an increasingly diverse pool of talent. Organizations that have employees who represent a diversity of cultures and backgrounds are strengthened by the array of viewpoints they can offer. This promotes creativity and resilience—essential organizational attributes for RMS as we strive to be the premier creator of forest value. We are working to accomplish these goals through two strategic scholarship programs—the RMS Scholarship Program and the RMS Forester of the Future Fund. Through the RMS Scholarship Program, which was established in 2018, we award annual scholarships totaling $80,000 to undergraduate students at eight universities in the U.S. South that provide outstanding training in forestry and natural resource management. In 2019, we also launched our Forester of the Future Fund, through which we partner with North Carolina State University's College of Natural Resources to promote greater diversity, equity, inclusion, and accountability within the forestry profession. Recipients of both scholarship programs are selected based on financial need and their status as members of demographic communities that historically have been under-represented in the forestry profession. Recipients also are offered summer internship opportunities to gain valuable experience working side-by-side with members of our forest operations teams.



Craig Blair, RMS CEO speaks with Forester of the Future candidate, Austin Cary of NC State University

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS



Pursuing continuous improvement through forest certification

Third-party audited forest certification provides a comprehensive governance framework for RMS to address a broad range of ESG topics that have been identified as material issues by our investors and stakeholders. Summaries of key findings from the audits conducted in our operating regions in 2019 are provided in the appendix to this report. Additionally, full certification reports on our operations are available publicly through the websites of the various certification programs with which RMS is affiliated.[4] Through our commitment to third-party certification, RMS is striving to be an engaged, transparent, and responsible forest investment manager. We are committed to using internal and third-party forest certification audits to improve our systems, processes, and performance.



What being a good neighbor means to us

"Being a good neighbor means respecting those who live and work around us. It means working collaboratively to enhance and protect the environment we share. It means considering in our plans the species and communities that rely on healthy forests, clean water, and a stable climate. Understanding what it means to be a good neighbor means understanding what it means to have a stewardship ethic."



Victoria Lockhart
Manager, ESG Strategy

[4] SFI (https://sfidatabase.org/view-org/item/3545), FSC (https://info.fsc.org/details.php?id=a023300000dpMdYAAU&type=certificate), Responsible Wood (https://www.responsiblewood.org.au/certificate_holder/rms-new-zealand-ltd/)

CLOSING MESSAGE

HEALTHY MARKETS. HEALTHY FORESTS. HEALTHY PEOPLE.



A CLOSING MESSAGE FROM CRAIG BLAIR, PRESIDENT AND CEO

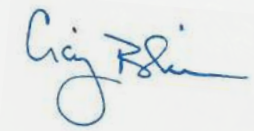
The theme of our 2019 Global Sustainability Report, "Being a Good Neighbor in our Global Community," reflects our values, world view and our belief that markets, forests and people are interconnected and mutually dependent.

We share a responsibility for addressing global issues that affect us all—issues like climate change, water quality and availability, the conservation of wildlife habitat and biodiversity, and support of our local communities. We also share a responsibility for promoting equity and inclusion, ethical business practices and social responsibility. This report aims to explain and demonstrate how RMS is doing these things as we work to help our investors achieve their objectives.

For those of us who make our living in forestry, the level of responsibility we have to the world is increasing. Meeting that responsibility will require that we hone our focus on value creation through creativity and innovation. By doing so, we at RMS also are confident we will better meet the needs of our clients.

Thank you for reading our 2019 Global Sustainability Report. We welcome your feedback and comments.

Sincerely,



Craig Blair

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The Report may contain forward-looking statements, projections, targets, forecasts and estimates (collectively, "Projections"). Projections are hypothetical and are for illustrative purposes only, and no assumptions or comparisons should be made based upon this information. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the Projections may not materialize and/or that actual events and consequences may vary significantly from the assumptions upon which projections contained herein have been based. RMS cautions that it is very difficult to predict the impact of known factors, and, of course, it is impossible for RMS to anticipate all factors that could affect our actual results. Future events may differ and hypothetical projections are subject to inherent limitations. The inclusion of Projections should not be regarded as a representation, warranty, prediction or guarantee by RMS or any RMS person regarding the reliability, accuracy or completeness of the information contained herein, or the performance of any particular investment made by RMS. RMS is under no obligation to update or keep current such information.

U.S. OPERATIONS
2019 SFI FOREST CERTIFICATION AUDIT SUMMARY



WHAT WE DID WELL

+ Considered the ecological consequences of species conversions; little of which occurred and on a very limited basis
+ Focused on protecting soil productivity
+ Followed rigorous procedures for herbicide applications
+ Applied herbicides at rates “well below legally allowed maximums”
+ Complied with Best Management Practices (BMPs) to protect water quality on all harvest sites
+ Clearly delineated and established streamside management zones (SMZs)
+ Employed erosion-control measures on roads and skid trails
+ Contributed to a variety of forestry-related research activities
+ Provided stand-level wildlife conditions

WHAT WE NEED TO IMPROVE

RMS has addressed this opportunity for improvement by including this topic in annual internal training programs. Additionally, ongoing internal audits will include a focus on this issue.

▲ Employ greater diligence in documenting internal field inspection results



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BRAZIL OPERATIONS
2019 FSC FOREST CERTIFICATION AUDIT SUMMARY



WHAT WE DID WELL

+ Properly stored and managed forest chemicals and chemical applications
+ Implemented robust systems for community stakeholders to provide feedback on forest operations
+ Identified nearby indigenous communities and opened dialogues with two of four

WHAT WE NEED TO IMPROVE

RMS has developed action plans to address each of the following, which will be reviewed by third-party auditors prior to the 2020 certification audit.

▲ Develop a formal chemical management plan that builds on a strong foundation
▲ Consistently and correctly use the Forest Stewardship Council (FSC) trademark
▲ Chronicle and closed the information loop on community feedback
▲ Initiate outreach with the two, remaining indigenous communities that are neighbors
▲ Review and update the firm's external conflict resolution procedures
▲ Promote improved disclosure of union agreements between contractors and their employees



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NEW ZEALAND OPERATIONS
2019 RESPONSIBLE WOOD FOREST CERTIFICATION AUDIT SUMMARY



WHAT WE DID WELL

+ Demonstrated senior-level commitment to “maintaining and improving” forest management approach
+ Addressed matters requiring improvement from previous audits, such as ensuring employees of contractors were provisioned with the necessary safety items and personal protective equipment

WHAT WE NEED TO IMPROVE

RMS has developed action plans to address each of the following opportunities for improvement.

▲ Prevent chemical spray operations from drifting into wetlands (one instance in 2019)
▲ Correctly utilize the Program for Endorsement of Forest Certification (PEFC) trademark
▲ Document progress on machine-related fire incidents
▲ Improve oversight of contractors to ensure operating sites are left clean
▲ Implement tighter personal protective equipment compliance standards for contractors



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