2022 GLOBAL SUSTAINABILITY REPORT



RMS

Creating Forest Value Since 1950

ABOUT THE COVERS

The front cover of this year's sustainability report features a map from one of our original forest management plans. This map is a nod to our foundation, one built upon forest stewardship principles, that guides us well into the future. The back cover is a botanical monoprint created by a local Birmingham artist, Celeste Amparo Pfau, that incorporates organic materials from RMS-managed properties. Her work serves as a bridge to connect people to the natural world and to each other. As practitioners of active, responsible forest management, we feel a deep connection with this ethos. Overall, these covers set the tone for a report that emphasizes having a strong heritage, culture and sense of purpose as essential for capitalizing on this time of immense change and innovation.

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RMS' CULTURE:

CRITICAL CONNECTIONS THAT ENABLE ADAPTATION AND TRANSFORMATION

A Message from Jimmy



During a recent presentation, one of the questions from the audience was why college graduates should seek employment at RMS. I had recently run across a quote by Tricia Griffith, President and CEO of The Progressive Corporation, that framed my answer—RMS is a company comprised of great people, motivated by a set of common values and based on a culture that remains as strong today as it was in 1950 when our company was founded by Harry Murphy and John Bradley.

I feel sure that if you asked other RMS employees to define RMS culture, the answers might vary, but the essence of the culture at RMS is a combination of community, trust and accountability. These attributes empower RMS to adapt and evolve with a world that is ever-changing.

RMS is like a family that cares. I have witnessed this firsthand many times and in a multitude of ways. When a member of our team reaches retirement, we come together and relive memories of previous work challenges, milestones and even mix in a humorous anecdote or two. When someone at RMS or in our community needs assistance, we come together and lend a helping hand. Our involvement in Habitat for Humanity and Log-A-Load for Kids are just two of the many ways in which RMS contributes to the communities where we operate. We offer a kind word or a helping hand when our fellow workers are facing challenges at work or at home.

RMS honors cultural traditions such as "Biscuit Friday." At the end of each week, someone cooks or provides breakfast for the entire Birmingham office and any guests who may be present. Some of these meals are legendary—and some are simply a bag of sausage biscuits from a local restaurant. However, anyone who has been a part of a "Biscuit Friday," or any of the other unique traditions that contribute to the work environments in our regional offices, understands how such gatherings help reinforce the company's traditional culture.

"With the right people, culture, and values you can accomplish great things."

– Tricia Griffith

Imbuia Property, Brazil



Internal Forest Operations Audit, Red River Region



Biewer Mill tour, Delta Region



Turkey Creek, Delta Region

We also understand that our culture must evolve with the times and our ever-changing business circumstances. Recently, one of our operating regions established a "Fun Committee," whose basic premise is that "when a group laughs together, and at each other, it builds a kinship that translates into a better-performing and functioning team." This idea is spreading and has manifested itself in other ways in our other offices. At our Birmingham home office, it led to the establishment of "The Shenanigans," a group who has instituted what is certain to be a long tradition of out-of-the-box contests, challenges and pranks, which have helped promote a greater sense of camaraderie among those who work at that location.

We at RMS also understand the value of hard work, of shared purpose, and of creating an open, tolerant and supportive work environment—one that encourages people to enjoy coming to work as themselves and to feel like they belong. Our people are our greatest asset, and in a world where many are deeply rethinking their relationships with their employers and jobs, we want RMS to be a workplace of choice.

From a cultural standpoint, RMS also places great value on integrity, accountability and responsibility—three intertwined core values that help form the fabric of the organization. Our mission is "To be recognized as the premier creator of forest value for our investors," and every member of the RMS Team has a critical role in helping us achieve that objective. Each of our employees has direct responsibility for a part of our business; but we are all collectively accountable to our clients, to our partners and to each other. This means that when mistakes are made—and I make my share—we hold ourselves and each other accountable and do whatever it takes to set things right. We believe this is what it means to operate with integrity and to be responsible.

Throughout our history, our culture and commitment to stewardship have helped RMS be at the forefront of change. This was particularly important during the last three years as we faced a global pandemic, unprecedented supply chain disruptions, the growing impacts of climate change, societal upheavals, and constantly changing economic and political forces. In the face of these challenges, we feel fortunate to be the manager of investment-grade forestlands for a variety of investors who have partnered with us and supported our efforts on their behalf in a multitude of ways. For instance, while our clients obviously value the financial returns we help generate for them through our management of their forests, they also are placing greater emphasis on the degree to which we manage their assets to high standards of environmental, social and governance stewardship,



Luis Costa (L), Production and Sales Manager, South America and Fabio Brun (R), Managing Director, South America

which aligns with our stewardship ethic and our approach to practicing sustainable forestry. Our clients recognize that, today, success in the forest investment and management sector is increasingly measured by how well a manager adapts by developing and implementing creative solutions to complex ESG-related challenges, like climate change, biodiversity loss, rural economic development, workforce diversity, reporting transparency, and environmental and social justice. If RMS is to achieve its mission of being the "premier creator of forest value," we must consistently excel at addressing these and related ESG challenges. We also believe the strength of our culture and our innovative spirit enable us to capitalize on this changing environment to further our vision of "advancing the practice of forestry and appreciation for the societal importance of privately-owned forests."

An old Chinese proverb states: "May we live in interesting times." Every day brings challenges and opportunities. At RMS, we have the people, culture and values required to not only live in interesting times, but to excel in them. Our 2022 Global Sustainability Report will provide you with a glimpse into our culture, our values and our people. I will also enable you to share in our successes and to see what work lies ahead for us. As always, we welcome your suggestions on how we can continue to improve.

Best Regards,



Jimmy Bullock
Senior Vice President
Forest Sustainability



Jackson's Gap Property, RMS Central Region

OUR BUSINESS AND VALUES

From our beginnings in 1950 as a consulting forestry firm serving private landowners to our current status as one of the world's largest managers of investment-grade forests for institutional and high-net-worth investors, RMS has remained a private, employee-owned company with a collaborative, entrepreneurial, forestry-focused culture. We strive to generate superior, risk-adjusted, long-term investment performance for our investors by practicing sustainable forestry and environmental stewardship on the timberland they own—an approach that is consistent with our forestry heritage and values.

MISSION

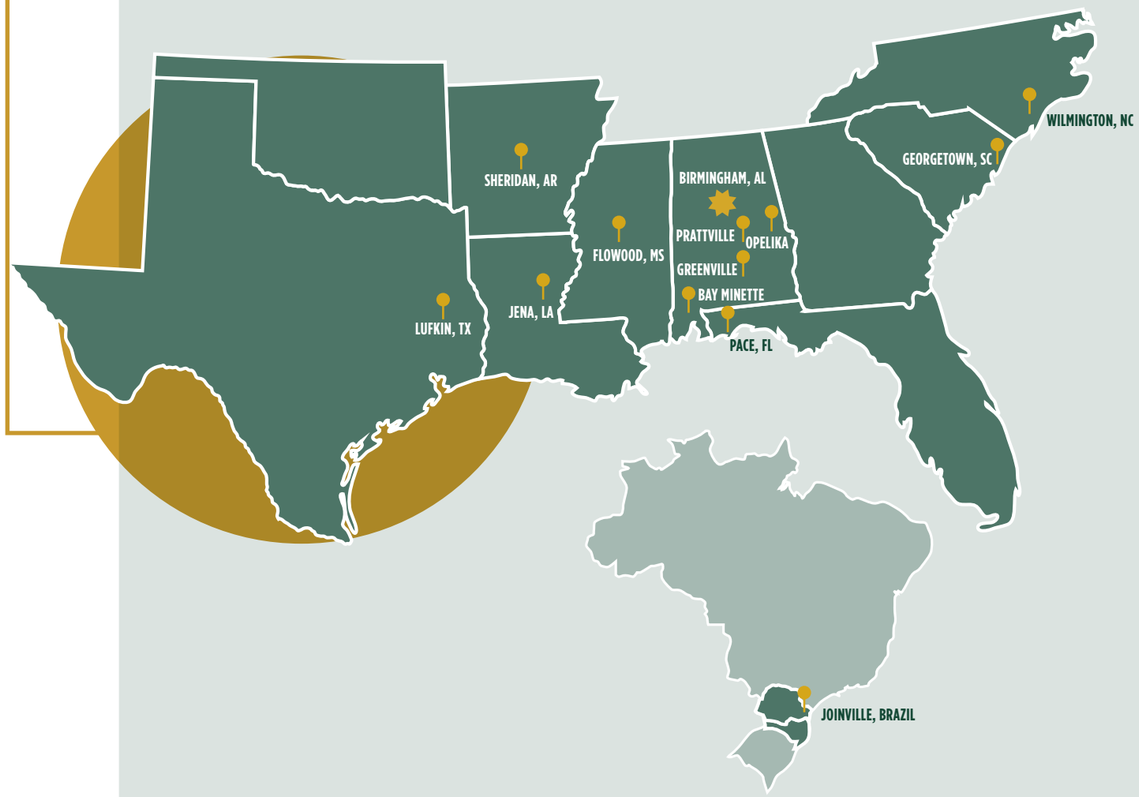
RMS strives to be recognized as the premier creator of forest value.

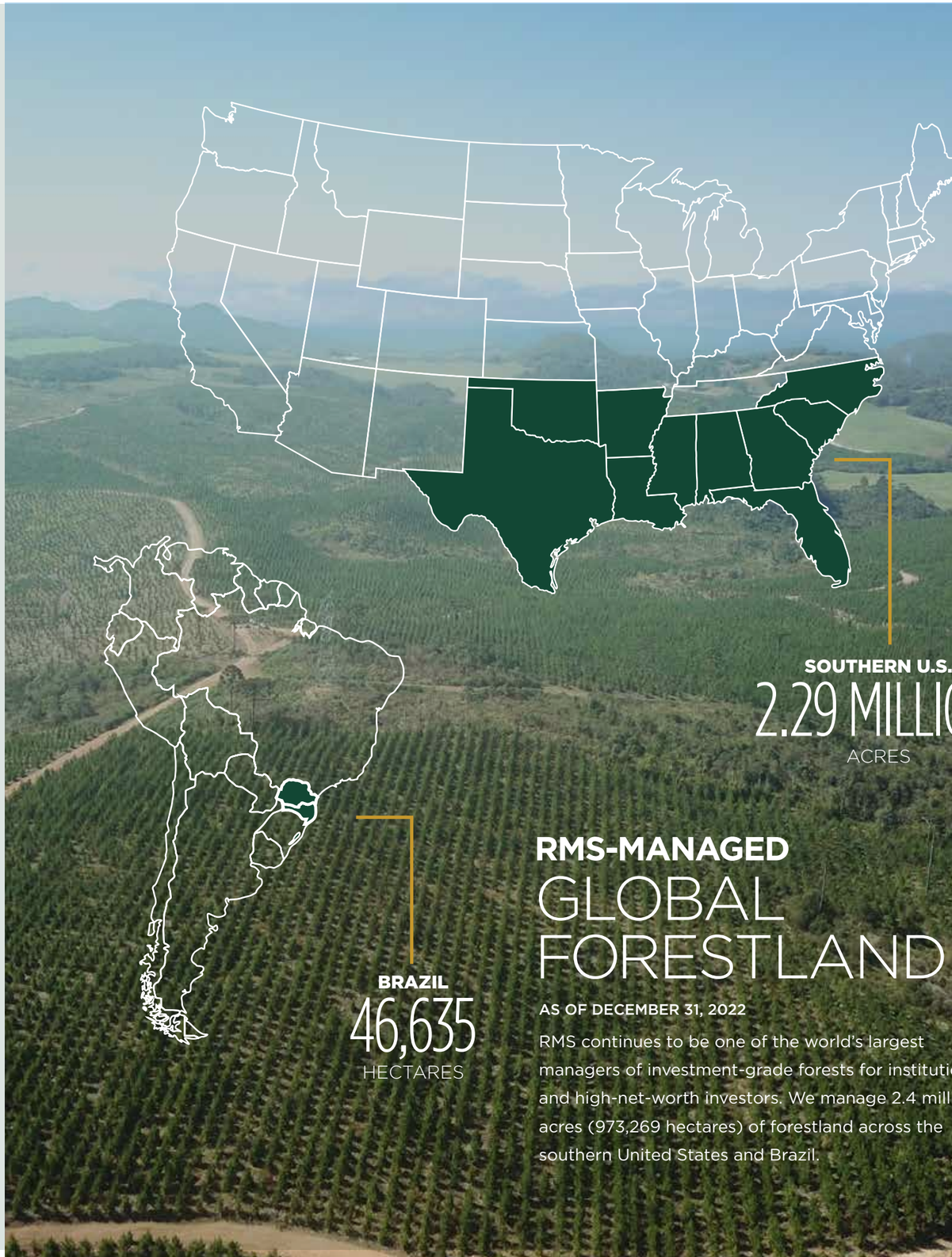
VISION

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

RMS
OFFICE LOCATIONS

RMS is headquartered in Birmingham, Alabama, in one of of the world's largest, most diverse and most productive timber-producing regions—the U.S. Southeast. We manage 2.4 million acres (973,269 hectares) of forestland across the southern United States and Brazil.





SOUTHERN U.S.
2.29 MILLION
ACRES

BRAZIL
46,635
HECTARES

RMS-MANAGED
GLOBAL FORESTLAND

AS OF DECEMBER 31, 2022

RMS continues to be one of the world's largest managers of investment-grade forests for institutional and high-net-worth investors. We manage 2.4 million acres (973,269 hectares) of forestland across the southern United States and Brazil.

RMS 2022
ESG DASHBOARD

OUR BUSINESS & INVESTMENTS

72
YEARS
in Business

156
EMPLOYEES

$4.802 B
IN ASSETS
Under Management

2.4 M
ACRES*
Under Management

PRI GRADE OF
A

OUR ENVIRONMENTAL IMPACT

100%
ACRES
Under Third-Party Sustainable Certification

18
SPECIES
of Conservation Concern in U.S. Managed Forests

204.1 M
METRIC TONS*
Carbon Stored in Global Managed Forests



OUR COMMUNITY IMPACT

1,500+
HOURS
Volunteered by Employees

14,500+
JOBS*
Supported in the U.S.

$85 K
SCHOLARSHIP FUNDS
Disbursed



OUR EQUAL EMPLOYMENT OPPORTUNITY PROFILE

12%
WOMEN
of Field Operations

6%
WOMEN*
in Leadership

7%
BIPOC REPRESENTATION*
of Field Operations

7%
BIPOC REPRESENTATION*
of Leadership

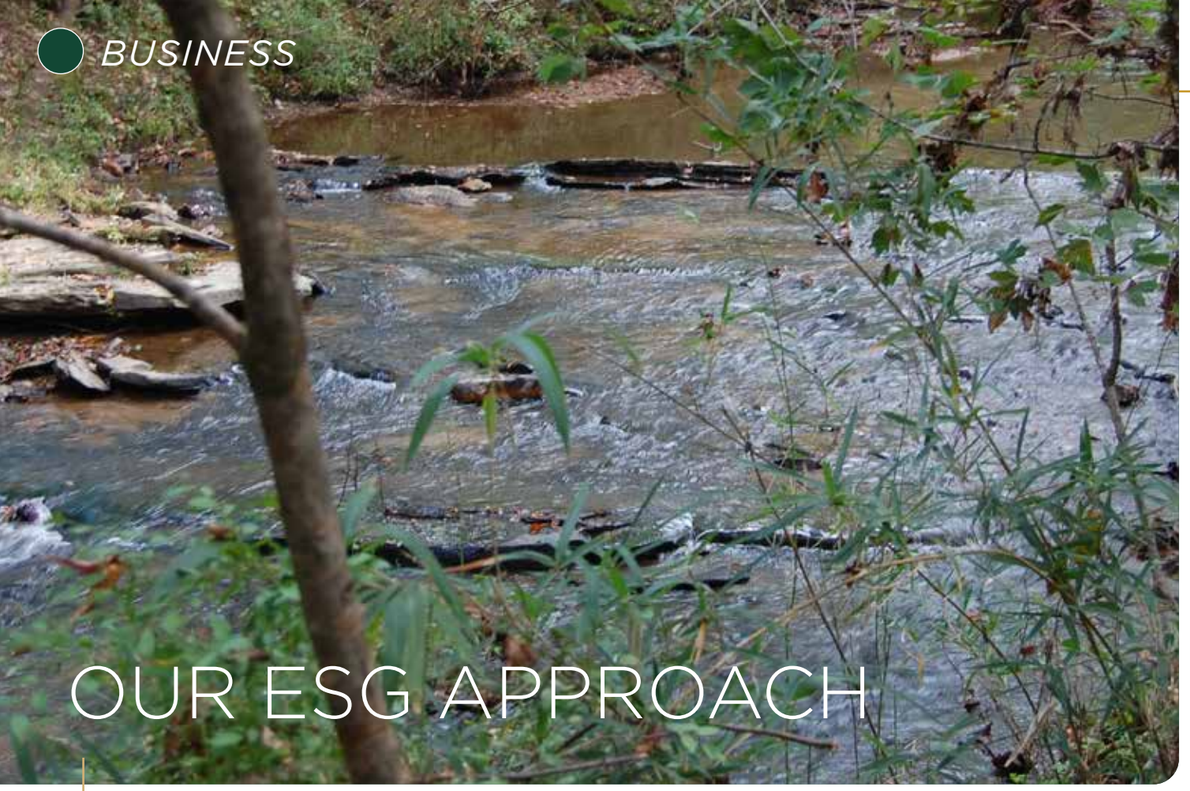


19%
RMS EMPLOYEES
with Ownership Stake



NOTE: Statistics regarding BIPOC individuals as a percentage of the RMS workforce are available in the United States and Brazil. RMS adheres to all labor laws of the jurisdiction governing each operational region. This includes laws governing the reporting of employment statistics.

* Statistics as of December 31, 2022
* Acres under management includes all managed forestlands.
* CO_2E for RMS properties under management in the U.S. and Brazil include tree biomass, both above and belowground. This measure does not include non-tree biomass within the forest, including soil carbon. In Brazil, this metric only includes plantation areas and not natural areas.
* Economic data provided by the National Alliance of Forest Owners.
• BIPOC includes Black, Indigenous and people of color.
• Leadership includes executive leadership and non-executive management.



OUR ESG APPROACH

ESG INTEGRATION

Environmental, social, governance (ESG) principles and factors are integrated into everything we do because sustainable forest management and forest certification govern how we manage forestlands, interact with the communities in which we conduct business and demonstrate our ongoing commitment to transparency. We focus on transparency by communicating openly, creating avenues for questions and listening to the feedback we receive from our clients and other stakeholders. We leverage external governance tools, including the Programme for the Endorsement of Forest Certification (PEFC), the Sustainable Forestry Initiative® (SFI), the Forest Stewardship Council™ (FSC™) forest certification programs and the UN-supported Principles for Responsible Investment (PRI), to measure, promote and embrace continuous improvement throughout our organization. While the RMS Forest Sustainability team is the dedicated ESG staff, it works closely with all of RMS' other teams to integrate ESG considerations into each aspect and function of our business and investment process.

FSC www.fsc.org FSC® C173072 The mark of responsible forestry

SUSTAINABLE FORESTRY INITIATIVE SFI-00029

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

ESG ROLES AND RESPONSIBILITIES

BOARD	Responsible for investment oversight and implementation of ESG and responsible investment (RI) activities.
BOARD + MANAGEMENT TEAM	Responsible for monitoring progress on RI-related ESG metrics and targets such as the carbon storage of investments and directing the disclosure of carbon storage metrics within publicly available reports.
INVESTMENT COMMITTEE	Responsible for considering ESG risks and opportunities in evaluating new investments, making key investment decisions and approving company and ESG policies.
ACQUISITONS	Evaluates potential acquisitions for both ESG risks and opportunities.
FOREST SUSTAINABILITY	Handles ESG-related items such as forest certification, public policy engagement and advocacy, climate-risk evaluation and ESG disclosure
INVESTMENT MANAGEMENT	Implements ESG integration in the investment process and oversees ESG in funds and incorporates ESG within disclosures.
RESOURCE PLANNING	Responsible for harvest scheduling with ESG constraints, carbon stock accounting, and spatial data management and utilization.
FOREST OPERATIONS	Implements sustainable forest management practices in alignment with RMS' policies and forest certification standards (SFI, FSC).
COMPLIANCE	Ensures compliance with ESG-related laws and policies.
ACCOUNTING	Ensures accurate and transparent financial accounting information and proper payment of all employees, service providers and other stakeholders.

ENVIRONMENTAL, SOCIAL, GOVERNANCE INTEGRATION

ESG INTEGRATION

RMS INVESTMENT PROCESS COMPONENT	ACQUISITION DUE DILIGENCE	ASSET VALUATION	SUSTAINABLE VALUATIONS	CONTINUAL IMPROVEMENT
TEAMS ENGAGING	Investment Management, Resource Planning, Operations, Forest Sustainability	Investment Management	Operations, Resource Planning, Forest Sustainability	Operations, Resource Planning, Forest Sustainability

MANAGEMENT TEAM ENGAGEMENT

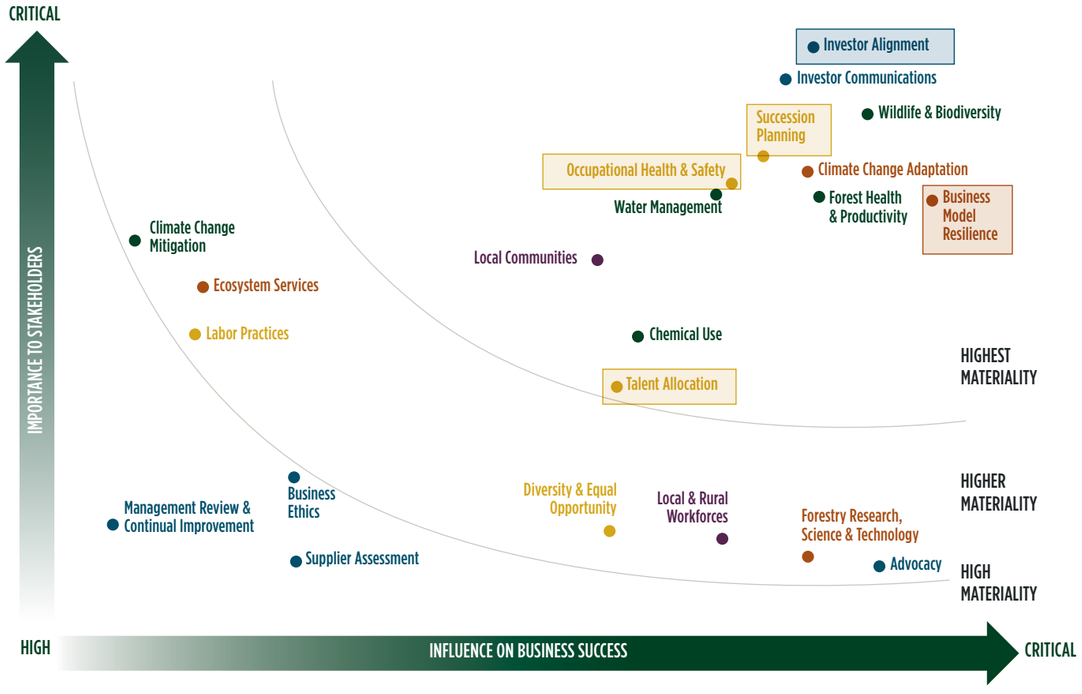
TOPICS	CLIMATE	BIODIVERSITY	WATER	PEOPLE	RESEARCH
CONSIDERATIONS	Climate change impacts (physical and transition risks), natural climate solutions	Sensitive ecosystems, conserved land, wildlife habitat, at-risk/ threatened and endangered species	Water quality protection, storm vulnerability assessments, drought risk evaluation	Employee and contractor safety training and outcomes, DEI, rural jobs, professional development	Support and engagement with basic and applied research to inform investment process and forest management
EXAMPLES	Policy work to expand opportunities for privately-owned forests to contribute to climate mitigation, evaluation of carbon opportunities	Stand and landscape level wildlife habitat management, collaboration with WCI and C w/o C	Extending some Streamside Management Zone (SMZ) buffers on ephemeral streams to provide additional water quality protection and improve biodiversity	Adding additional university partners to our scholarship program to increase engagement with indigenous students	Engaging research co-ops and partners such as the National Council for Air and Stream Improvement (NCASI)

MEASURING WHAT MATTERS

In 2019, our first materiality assessment was conducted to better understand what ESG issues are most important to our key stakeholders. Since 2019, this materiality assessment has enabled us to have more and better action items with our key partners and stakeholders, including employees, clients, external organizations and agencies, and our employees, as it highlighted the ESG priorities affecting our business and helped us better understand the people who work with us and for whom we work as a firm. As the world changes, we expect existing ESG issues to vary in significance and for new ESG issues of consequence to emerge.

We asked what was most important to our stakeholders. Here are the material issues they identified.

RMS' MATERIALITY ASSESSMENT



In 2023, we will be conducting a second materiality assessment to gather updated feedback to support our efforts to stimulate continuous operational improvement.

A total of 22 issues and impacts were identified. An independent consultant interviewed 15 stakeholders representing academia, advocacy, employee, consultant, investor, government, and labor/community perspectives. We use these responses to direct our ESG strategy, solidify relationships with our stakeholders and help inform the direction of our ESG reporting.

ENVIRONMENT

CLIMATE

As global temperatures and sea levels continue to rise, climate disruption impacts all people, businesses, economies and places.

RMS VISION

Forests and forest products are recognized as key tools for removing and locking up carbon, thereby helping create a climate-stable future.

HOW?

- Monitor, evaluate and manage climate risks.
- Enhance carbon accounting capabilities and begin to disclose climate-related risks and opportunities.
- Work with partners to create the enabling conditions to participate in nature markets (e.g., carbon markets).

BIODIVERSITY

Biological diversity is declining faster than at any point in human history. With 50% of global GDP being dependent on nature, biodiversity is becoming both a material risk and opportunity for investors.

RMS VISION

Private working forests are broadly recognized as effective conservation tools to conserve and restore biodiversity and at-risk species

HOW?

- Collaborate with leaders and partners to develop new tools to reduce the risk of managing species of conservation concern and create opportunities for increasing biodiversity.
- From planning to execution, we will continue stewardship of every acre under management.
- We will work towards disclosing nature-related risks and opportunities.

WATER

Climate change, increased water demands and pollution are increasing the vulnerability of the world's water supplies.

RMS VISION

Private working forests are recognized as critical green infrastructure to ensure water quality and quantity for generations to come.

HOW?

- Continue meeting or exceeding best management practices for protecting riparian areas and streams.
- Collaborate with partners such as Keeping Forests to create a viable ecosystem services market for water.



ENVIRONMENTAL RESPONSIBILITY

Turkey Creek - Delta Region

RMS is passionate about sustainably managing forests that provide for society's basic needs like clean air, clean water, biodiversity and traditional forest products, to newer needs like materials made of bioplastics, wood-based fuels and energy sources and buildings constructed with mass timber products. RMS has the responsibility and incentive to be good stewards of the forestlands entrusted to us by our clients.

Sustainable forest management is at the heart of the global sustainable development agenda and provides solutions to address complex issues including climate change, biodiversity loss, water security and critical national infrastructure. RMS works to manage healthy, productive and biodiverse forests through our implementation of sustainable forestry practices. These practices are designed to produce renewable wood-based products, enhance ecosystem services, support the resilience of forest-dependent communities and local economies, and to generate other ESG outcomes that are both valuable to society and that help generate competitive investment performance.

The following practices serve as the foundation for our sustainable forest management approach:



In accordance with our ESG policy, 100 percent of the forestland under RMS' management is certified to FSC and/or one of the world's leading PEFC-endorsed sustainable forest management standards, including SFI. Forest certification is a requirement for doing business and one of the primary governance tools we use to manage environmentally and socially responsible forests. RMS is very active in the FSC and SFI communities and worked in 2022 as a pilot company for the FSC U.S. National Forest Stewardship Standard. We also sent representatives from U.S. and Brazilian sustainable forestry teams to the FSC General Assembly in Bali, Indonesia to support decision-making processes and establish deeper relationships with other FSC member companies, organizations and public agencies.

CATEGORY	U.S. (ac)	BR (ha)
Area of forestland certified to a third-party forest management standard	2,289,765	46,635
SFI certified area	2,118,349	-----
FSC certified area	908,709	46,635
Dual-certified (SFI, FSC) area	737,293	-----
Percentage of forestland certified	100%	100%

CLIMATE

CLIMATE OPPORTUNITIES

With global unrest from the invasion of Ukraine, societal and supply chain stresses continuing from the pandemic, and increasing numbers of climate-intensified natural disasters, 2022 taught us there is no quick return to the world we once considered "normal." In the face of such loss and instability, our times demand creative and collaborative solutions to rebuild and create a better future. Globally, 2022 was a record year for investment in climate action, forests and nature. With the passing of the United States' first climate-focused legislation, the Inflation Reduction Act (IRA), and the growth in carbon markets from net-zero commitments by nations, cities, companies and investors, forests and natural climate solutions are receiving enormous amounts of attention and capital investment.

Scientists estimate that, by 2050, approximately one-third of all cost-effective climate change mitigation can be provided by "Natural Climate Solutions" (NCS) derived from forest, wetland and grassland biomes.[1] While managing our clients' forests, RMS works at many levels to help leverage natural climate solutions offered by forests. Among other things, we support the National Alliance of Forest Owners (NAFO) CEO Climate Principles, which guide NAFO members, who oversee more than 46 million acres of forestland nationwide, on the steps we can take as large-scale forest owners and managers to help mitigate the impacts of climate change. RMS also is an active participant in the Forest Climate Working Group (FCWG), a collection of business interests and conservation organizations that are collaborating on the development of public policies that are designed to promote forest-based strategies for addressing climate change. We are also one of the founding members of Manomet's Climate Smart Land Network (CSLN).

CARBON

Because we are forest stewards, we are, by extension, carbon stewards as well. Forests provide climate benefits through their capacity to sequester and store carbon and their ability to produce a sustainable material that can be substituted for more carbon-intensive products like concrete and steel. For instance, private working forests annually sequester more than 14% of all industrial emissions generated in the United States,[2] which makes them an essential tool for achieving the nation's 2050 net-zero vision.

RMS has considerable expertise in evaluating carbon opportunities that may exist within the portfolios we currently manage for clients. However, to date, our analyses of more than 2 million acres we oversee for our investors have not resulted in the identification of a viable forest carbon project—one that would create truly additional climate benefits and generate higher returns than those that can be achieved from employing forest management practices for traditional forest-based products, which is one of RMS' most compelling competitive strengths. Nevertheless, we continue to work with our clients and partners to identify new ways to create forest value through a variety of innovative carbon, climate and conservation projects.

CARBON REMOVALS AND STORAGE

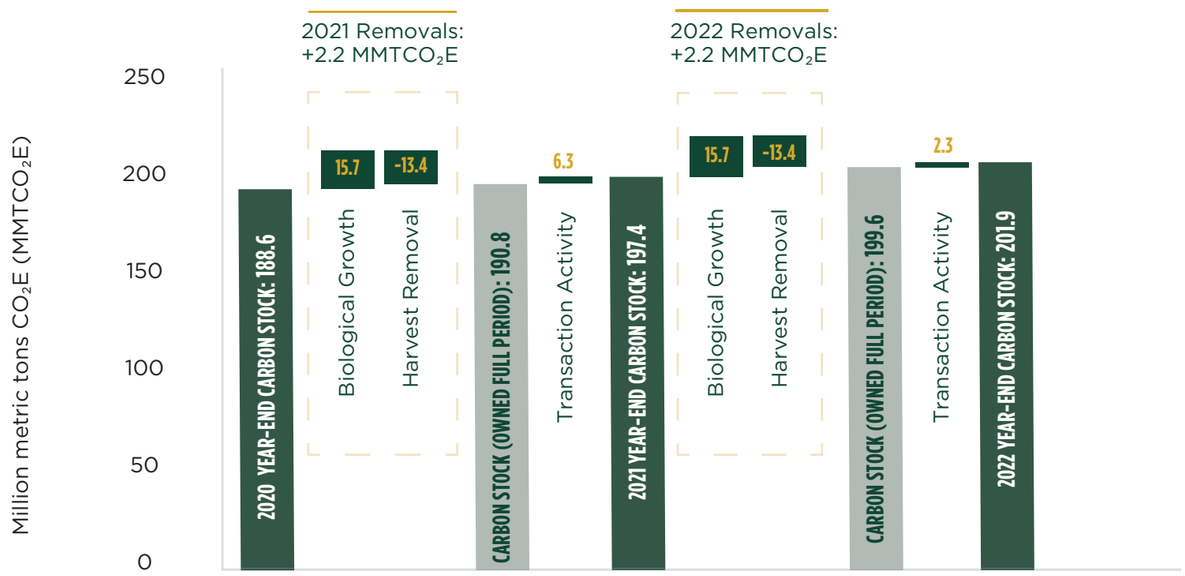
In forests, carbon dioxide is removed from the atmosphere via photosynthesis. We account for land-based removals on timberlands we manage in our calendar year based on the difference of biomass growth and harvest and other forest inventory adjustments like those from cruise updates. Some of the carbon in the harvested timber is locked up in long-lived wood products, and we calculate the 100-year average carbon storage potential as a product removal. The standing forest carbon stock reflects the carbon stored in the above and belowground biomass of merchantable species and helps us monitor the long-term stability of these carbon pools.

CARBON REMOVALS AND STORAGE

CARBON REMOVALS (U.S.)	2021	2022
Land-based removals ($MMTCO_2E$)	2.20	2.20
Net land-based removals (+ sequestration, -emissions) ($MMTCO_2E$)	2.05	2.06
Product-based removals ($MMTCO_2E$)	2.30	2.20
CARBON STORAGE	**2021**	**2022**
U.S. Standing forest carbon stock ($MMTCO_2E$)	197.4	201.9
BR Standing forest carbon stock ($MMTCO_2E$)	2.20	2.24

In 2022 in the U.S., the total carbon removed from the atmosphere was the equivalent of taking nearly 980,000 gasoline vehicles off the road for a year.

CARBON STORAGE AND REMOVALS IN RMS-MANAGED U.S. FORESTS



Total removals include inventory adjustments, which includes updates to inventory from cruises and reclassification of land status in the footprint owned for the full period. Transaction activity includes tons from land sales, acquisitions, and other inventory updates that occurred on land owned or sold for a portion of the year. Totals in this chart are subject to rounding.

1. Griscom et al., 2017. See: https://doi.org/10.1073/pnas.1710465114
2. NAFO, See: https://nafoalliance.org/forests-and-climate-change-for-policymakers-101/

GREENHOUSE GAS EMISSIONS

In 2022, we completed our first greenhouse gas (GHG) emissions inventory and external, third-party verification to acquire new insight into the carbon dynamics and characteristics of the forests we manage. This was done in accordance with the Greenhouse Gas Protocol Corporate Standard, the most widely used international GHG accounting standard. Accurate and transparent GHG accounting is essential for operating in a carbon constrained world and for any organization that has ambitions to decarbonize. As we await the Greenhouse Gas Protocol Land Sector and Removals Guidance to be finalized, we expect our greenhouse gas inventory to evolve. For instance, we currently do not account for emissions beyond the mill gate or include emissions from prescribed burns and wildfire. Now that we have established a baseline, we will work in 2023 to create an emissions reduction strategy and target.

We account for RMS corporate emissions and emissions associated with RMS' timberland assets under management (AUM). In 2022, much of the decline in total emissions can be attributed to postponing much of our fertilization program due to high urea costs resulting in minimal or negative return on investment.

RMS GREENHOUSE GAS EMISSIONS

	2021 (MTCO2E)	2022 (MTCO2E)
Total Emissions (Scope 1, 2, 3)	172,610	147,960
Scope 1 (Total)	24,910	2,670
Stationary Combustion	2	2
Mobile Combustion	68	117
Land-Based Emissions (Fertilizers)	24,840	2,550
Scope 2 (Total, Location-Based)	206	130
Scope 3 (Total)	147,490	145,160
Purchased Goods and Services[3]	124,690	119,460
Business Travel	835	878
Employee Commuting	486	492
Downstream Transportation and Distribution[4]	21,480	24,330

*2021 GHG data has completed third-party verification, Audit results are available upon request. 2022 GHG data has not been verified yet but uses the same methodologies. All totals are subject to rounding.
3. Includes upstream embodied emissions associated with the production of forest chemicals and fertilizers, emissions from contractor transportation, and fossil emissions from mobile equipment used in silviculture and harvest activities performed by third-party contractors. This does not include emissions from road construction and maintenance.
4. Includes emissions associated with hauling logs from RMS-managed properties to mills for delivered wood contracts.

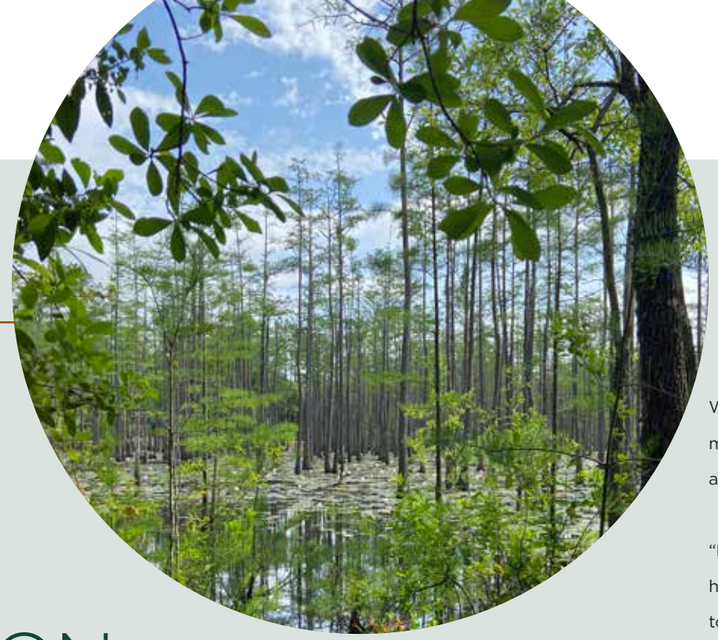

RMS Brazil Region

CLIMATE RISKS + FOREST HEALTH

While natural climate solutions like forests are key tools for building global climate resiliency, natural risks posed by pests, insects, diseases and storm events are all exacerbated by climate change and increase the vulnerability and long-term carbon-storage potential of forest ecosystems. CO_2 in the atmosphere reached record highs in June 2022 at 421 parts per million (PPM)[5]—a concentration the world has not seen for millions of years. While scientific consensus has confirmed that the world has thus far avoided the anticipated worst case warming scenarios (+5-6°C), the likely increase of +2-3°C remains unchartered territory that requires climate adaptation strategies and nature-based solutions to inform how we influence and interact with our natural systems that underpin our global economies.

Our best strategy for mitigating climate risk is to manage and enhance forest health and productivity. Healthy, vigorous forests are more resilient to the adverse impacts of changing climates. Here at RMS, we use a variety of forest health treatments and techniques, such as multiple thinnings, prescribed burning, planting genetically superior seedlings from local sources, and other strategies to maintain healthy, resilient forests. In addition, we heavily invest in forest research and technology transfer within our Resource Planning team and through our affiliations with university-based forestry co-ops. In 2022, we began to develop our first climate adaptation plan for the U.S. to meet the new climate-smart forestry objectives outlined in the revised 2022 SFI Forest Management Standard. In 2023, we expect to finalize and expand this plan to include forest assets managed in Brazil.

5. https://www.noaa.gov/news-release/carbon-dioxide-now-more-than-50-higher-than-pre-industrial-levels



SOIL HEALTH:
THE FOUNDATION OF CLIMATE-SMART FORESTRY

Climate-smart forestry, while a relatively newer term, is not entirely a new practice; yet it offers opportunity for a paradigm shift in forestry with soil health being at the foundation. RMS Central Regional Resource Analyst Jerry Brace, our forest soil scientist, offers his thoughts on the relationship between soil health and climate-smart forestry.

"Healthy, productive soils and healthy, productive forests are one in the same, and they're both products of climate-smart forestry. As forestry professionals, we must be as astute to the belowground elements as we are to the aboveground elements for long-term sustainable management. To practice climate-smart forestry, we must understand more than stand characteristics such as volume per acre and quadratic mean diameter. We must understand the importance of the soil that is producing those stand metrics and plan harvest activities to ensure soil productivity and, therefore, stand productivity are not degraded. While most of the soils we manage in the Southern U.S. are resilient, soil morphology and microbial ecosystems can be very fragile. Soil erosion and compaction are two nearly irreversible soil disturbances. We give considerable attention to limit soil erosion, and we are now conducting studies to utilize our soil survey information to identify soils with a high propensity for soil compaction. Once soils are compacted, the compaction can be invisible and the productivity nearly impossible to recover fully, so having this information pre-harvest can help us take more steps to protect long-term forest productivity."

With Jerry's leadership, we have developed a comprehensive soils database that allows our staff to be proactive in their management decisions, which helps us maximize investment value by making smart decisions about actions like fertilizer application, site preparation and harvest operations to grow high-quality solid wood products.

"Forest management practices that proactively conserve soil organic matter and preserve soil structure can maintain healthy carbon cycling and future site productivity. As the world looks at its forests in different ways, we are beginning to pay more attention to the belowground and look at soil health in more holistic ways."



Jerry Brace
Regional Resource Analyst, Central Region



External SFI audit, Delta Region

To learn more about climate-smart forestry in the Southern United States beyond just soil health, RMS provided funding and expertise to support research with Auburn University to study the role that active forest management of loblolly pine plays in mitigating climate change. A link to the paper can be found here.[6]

6. Shephard, N. T., Narine, L., Peng, Y., & Maggard, A. (2022). Climate Smart Forestry in the Southern United States. Forests, 13(9), 1460. https://doi.org/10.3390/f13091460



BIODIVERSITY + WILDLIFE

Biodiversity is, at its essence, the variety of life and the beauty of the natural world. Biodiversity exists at multiple scales in species and ecosystems, but its rapid deterioration, especially in recent decades, presents a vast array of risks to the stability and health of our socioeconomic systems. Promoting biodiversity on our clients' forest assets is a major environmental priority for RMS, and we approach the interconnectedness between the biodiversity and climate crises by understanding that conserving and restoring biodiversity can play an important role in helping to cool the planet.

RMS works to conserve biodiversity on our clients' lands by integrating biodiversity considerations into our management plans and by exploring other opportunities (e.g., species reintroductions) to increase the biodiversity within our managed forests. For instance, we identify forested areas with known occurrences of rare, threatened and endangered species, as well as areas that have other exceptional conservation values. We then manage these areas using tailored management plans—plans that often are enhanced by active management and harvesting. For timber stands that are being intensively managed for timber production, we implement a range of practices to ensure wildlife habitat attributes remain at the stand and landscape level, such as dispersed and clumped tree retention, buffering water features including some ephemeral drains and wetlands, and leaving snags and down woody debris.

Adapted from Evans et al., 2021,[7] the schematic on the next page provides a glimpse into how sustainable forest management enhances the value of southeastern managed pine forests for various bird communities.

FOREST MANAGEMENT PRACTICES THAT ENHANCE VALUE OF SOUTHEASTERN MANAGED PINE LANDSCAPE TO BIRD COMMUNITES INCLUDE:

- Retain structure such as snags & course wood debris
- Promote successful stand establishment
- Promote forest thinning & vegetation management & practices
- Promote non-pine vegetative cover
- Promote variation in stand ages & cover types, including streamside management zones

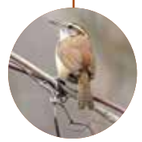
YOUNG STANDS

SPECIES YOU MAY FIND:
American Kestrel
Eastern Kingbird
Eastern Towhee
Indigo Bunting
Northern Bobwhite



INTERMEDIATE STANDS

SPECIES YOU MAY FIND:
Carolina Wren
Downy Woodpecker
Kentucky Warbler
Ovenbird
Wood Thrush



MATURE STANDS

SPECIES YOU MAY FIND:
Eastern Wood-pewee
Pine Warbler
Red-eyed Vireo
Tufted Titmouse
Yellow-billed Cuckoo



RECENTLY HARVESTED

SPECIES YOU MAY FIND:
American Kestrel
Eastern Wild Turkey
Field Sparrow
Killdeer
Chuck-Will's-Widow



7. Evans, K.O.; Larsen-Gray, A.; Miller, D.; Loehle, C. Systematic Review of Bird Response to Privately-Owned, Managed Pine Stands in the Southeastern U.S. Forests 2021, 12, 442. https://doi.org/10.3390/f12040442

2022 BIODIVERSITY + CONSERVATION HIGHLIGHTS

PROJECT	PARTNER	UPDATES
Forest for the Birds	American Bird Conservancy	Swallowtail kites were captured and fitted with radio transmitters in South Carolina to follow migration, wintering and breeding season patterns. It is possible kites captured on RMS-managed lands during the summer breeding season may winter on RMS-managed lands in southern Brazil.
NAFO Wildlife Conservation Initiative (WCI)	NAFO, USFWS, State Wildlife Agencies, NCASI, Wildlife Management Institute (WMI)	Gopher tortoise listing as federally threatened in the eastern part of its range determined to be not warranted; Landscape research studies in Alabama and Florida to demonstrate the importance of managed forests to at-risk species reported over 100 animal species verified, with 11 of those being species of varying degrees of conservation concern.
Species Conservation Opportunities in Managed Pine Landscapes	NAFO, USFWS, NCASI, Forest Landowners Association (FLA)	Hosted a field tour on RMS-managed land in Florida to highlight ways to use new conservation tools to reintroduce wildlife species without regulatory risk to landowner or landowner neighbors.
	Texas Longleaf Team (TLT), U.S. Forest Service, USFWS, TX Department of Wildlife Fisheries and Parks, TX State	Hosted a field tour on RMS-managed land in Texas to discuss opportunities to conserve at-risk species in managed pine landscapes.
Conservation without Conflict Summit	45+ organizations, companies and agencies that comprise the Conservation without Conflict Coalition	Summit outcomes include: 1) importance of sharing stories that both highlight barriers to collaboration and successful examples of collaborative conservation; 2) increased desire to pivot from coalition formation to actionable on-the-ground results; 3) institutionalizing a culture that promotes collaborative conservation approaches over regulatory ones.
Longleaf Restoration	TLT, H-E-B	The Texas-based grocery store chain H-E-B provided funding to the Texas Longleaf Team to restore longleaf pine across its historic range in eastern Texas, including on lands managed by RMS.

Conserving wildlife species and their habitats on our clients' lands is an important aspect of RMS' holistic approach to forest management. Conservation does not happen just in specific set-aside areas but on every acre we manage. We also continue to work with a variety of partners to change the culture of conservation to one that is more collaborative, innovative and trust centered. In our 2021 Global Sustainability Report, we spoke more about this cultural shift and the significant benefits that accrue to our investors by our efforts to reduce the political, social and environmental risks associated with their status as significant forestland owners. We are excited to report these updates on our biodiversity and conservation efforts and look forward to what the future holds as more momentum builds the concept of "collaborative conservation."

COLLABORATIVE CONSERVATION IN ACTION:

ENSURING THE FUTURE VIABILITY OF THE GOPHER TORTOISE

Gopher tortoises serve as a keystone species of the longleaf pine ecosystem, providing critical habitat for approximately 360 different species of mammals, birds, reptiles, amphibians and invertebrates that spend all or a portion of their lives in active or abandoned gopher tortoise burrows. Once abundant, populations have been declining since the 1930s. Increased conservation attention and changes in forest practices over the past 20 years have helped reverse that downward trend. On October 11, 2022, the U.S. Fish & Wildlife Service (USFWS) announced its decision not to list the eastern population of the gopher tortoise (Gopherus polyphemus) under the Endangered Species Act (ESA).

When the USFWS announced its proposed listing of the gopher tortoise in the eastern range of the U.S. South, private landowners believed the USFWS had an incomplete picture of gopher tortoise populations and quality of habitat for the species on private lands. "Millions of acres of habitat in the tortoise's range are being managed on private lands to provide open forest canopy conditions through repeated timber thinnings and final harvests. In addition, stand re-establishment practices that promote the growth of the herbaceous plant species that serve as the tortoise's primary source of food and cover also are being employed on these private holdings," Jimmy Bullock, RMS Senior Vice President of Forest Sustainability and RMS representative as the Company's founding member of the NAFO WCI and Conservation without Conflict, said.

Private forest landowners, namely member companies of the National Alliance of Forest Owners (NAFO) that participate in the organization's Wildlife Conservation Initiative (WCI), provided gopher tortoise data to the National Council for Air and Stream Improvement (NCASI), which compiled the information and provided it to the USFWS. Likewise, the Forest Landowners Association (FLA) worked with family forest owners to compile similar types of data from millions of additional acres.

"The collaboration between the agency, state regulators, private forestland owners and managers, and a variety of other concerned groups and organizations, focused on quantifying the size and distribution of gopher tortoise populations on private and public lands in the South—and the insights collected from these efforts enabled the agency to make a more informed, science-based decision about the tortoise's future status under the Endangered Species Act," Bullock continued.



The future of conservation is a cultural change where collaborative conservation is the norm, and we are finally seeing that reality emerge. "Conservation without Conflict" is both an approach to conservation and a coalition of private and public entities that believe proactive, voluntary efforts to conserve species are often more effective than regulatory approaches. "The gopher tortoise is considered a keystone species, and many private landowners want to be part of the conservation of this iconic species. This outcome represents an unprecedented sharing of information between the private sector and a regulatory agency, with the end result being a win-win for both landowner ownership objectives and conservation of the gopher tortoise and many other species that need open canopy habitats created in part by forest management and forest thinning and harvesting operations," Bullock concluded.

2022 CONSERVATION MANAGEMENT ACTIVITIES	U.S. (ac)	BR (ha)
Area of forestland with protected conservation status	16,078	26,584
Area of forestland under conservation easement	11,717	---
Area of forestland in endangered species habitat	6,210	---
Area in Special Sites (includes HCV)	11,347	---
Species of Conservation Concern in Managed Forests (No. of Species)	18	---

RESTORING LONGLEAF PINE IN EAST TEXAS

Longleaf pine historically dominated the U.S. South's lower coastal plain region from eastern Texas into southern Virginia. In recent years, an effort has been underway to conserve and restore longleaf pine throughout its historic range. This work is being undertaken at a state and regional level under the auspices of "America's Longleaf Restoration Initiative" (ALRI). RMS has long been a supporter of ALRI across the range of longleaf and RMS District Manager Taylor Wilson, has worked closely with one of the statewide ALRI groups, the *Texas Longleaf Team (TLT)*.

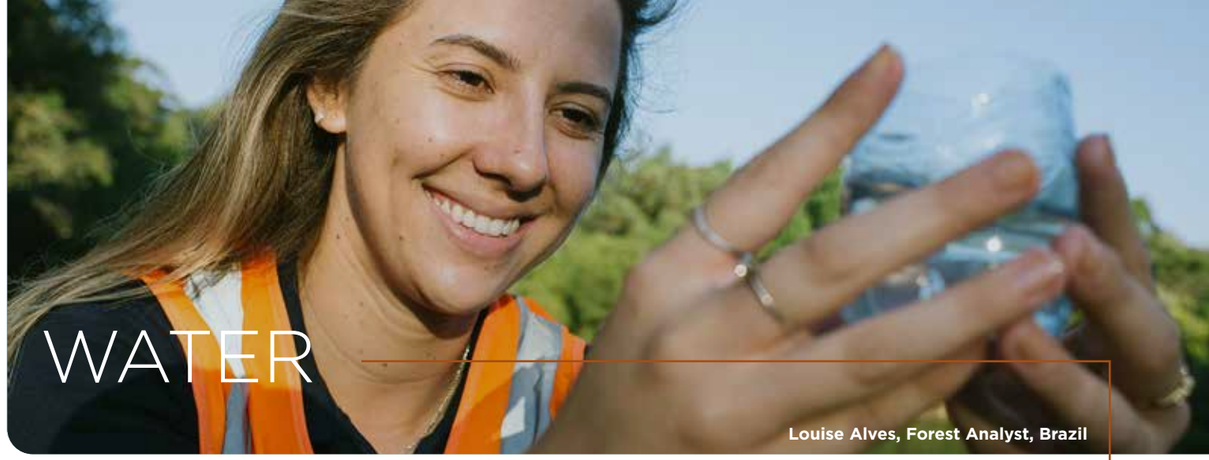
In 2022, RMS and the *TLT* collaborated on a longleaf planting partnership project in East Texas funded, in part by the HE Butt Foundation, the charitable arm of a prominent, Texas-based supermarket chain, the H-E-B Grocery Company. Wilson said a 52-acre tract was reforested with longleaf in 2022 due to three factors. First, the deep sandy soil type was more suitable for longleaf. Second, the site was well-suited for prescribed burning. Finally, and perhaps most importantly, he said establishing longleaf on the property made good sense from both a forestry and investment standpoint and a reduction in wildfire risk for the tract and adjacent community.

In describing RMS' relationship with *TLT* and his own experience with this and other longleaf projects, Wilson said, "Working with *TLT* Director Jenny Sanders and the others at *TLT* has been a great experience. We have a strong partnership with them and RMS supports what they are doing. As for me, I have really enjoyed managing longleaf plantations because it requires you to think more creatively and to analyze and assess a broader array of forest management variables, which, as a forester, I embrace."

"TIMOs like RMS and other timber investment entities oversee most of the lands in Texas that are critical to these restoration efforts," said Sanders. "Our capacity to provide RMS with cost-sharing for things like longleaf seedlings and the ongoing silvicultural management that is required makes good investment sense for their clients. In the end, that is really the definition of a win-win relationship."



Conservation of at-risk species in managed forest tour, Red River Region



WATER

Louise Alves, Forest Analyst, Brazil

"The relationship between forests and rivers is like father and son. No father, no son." – Gifford Pinchot (widely considered as the Father of American Forestry)

Covering 70 percent of the Earth and composing 70 percent of our bodies, water is critical to life, and forests play an integral role in managing water quality and water quantity. As the impacts of climate change, land-use and urbanization are better understood, water security is top of mind for many communities, businesses, policymakers and governments. Our foresters are stewards of watersheds that provide clean water for many communities into the future. At RMS, we protect the watersheds and riparian areas we manage on our clients' forest assets by meeting or exceeding state best management practices (BMPs).

Sustainable forest management is vital to ensuring downstream rural and urban communities have access to clean and plentiful water resources. As the frequency and intensity of drought and flooding increase, forests help buffer these impacts by storing and releasing water during drought and by managing stormwater flow, both of which provide communities located in a watershed with protection. Water resource protection is also important for many of the wildlife species we manage. Alabama, for instance, has some of the highest diversity of freshwater aquatic species anywhere in the world, and many of these, like freshwater mussels and crayfish, are very sensitive to hydroclimate extremes and pollution. As a result, maintaining and enhancing the forest-water nexus is an important priority for RMS.

2022 WATER IMPACT	U.S.	BR
Area enrolled in wetland mitigation banks or payment for ecosystem services program (U.S.-ac, BR.-ha)	611	403
Area in streamside management zones (SMZs) of Areas of Permanent Preservation (APP) (U.S.-ac, BR.-ha)	409,195	3,580
Length of edge habitat with SMZs or protected natural areas (U.S.-mi, BR-km)	29,369	3,594
Stream length (U.S.-mi, BR-km)	12,051	1,324



FOREST OPERATIONS

1.5 yr old stand, Central Region

FOREST CHEMICALS

The careful and calibrated use of forest chemicals helps us protect soil and water resources while increasing site productivity and carbon sequestration. Forest chemicals are essential to many forest management objectives, including tree establishment and future productivity, and the control of invasive and exotic pets, disease and vegetative species. At RMS, all fertilizer, pesticide and herbicide application plans are prepared by our foresters, who have completed rigorous chemical-use training in accordance with our internal policies. All chemicals are applied in accordance with our policies and local laws at the minimum rate to achieve management objectives by licensed contractors who have completed appropriate pesticide application training and state Best Management Practices (BMP).

Post chemical application monitoring is essential for ensuring that fertilizer and herbicide use has helped RMS achieve its forest management goals without also creating unwanted, off-site impacts. In 2022, RMS foresters conducted post-application inspections on 383 sites covering approximately 33,448 acres. Of these applications, 97 percent were found to comply with both RMS' chemical-use policy and the chemical application plans our foresters create. Eleven incidences were found to be out of compliance and all incidences involved chemical application spraying partial edges of SMZ buffers. For the 11 incidences, the following actions were taken to address the root causes:

- Patterns of application inconsistency were identified and additional training for contractors was implemented.
- Thorough preflight reviews to ensure contractors fully understand the planned application.

383
SITES
inspected

33K+
ACRES
Inspected

97%
APPLICATIONS IN COMPLIANCE

11
NON-COMPLIANCE INCIDENCES

HARVEST + REFORESTATION

2022 ACTIVITIES	U.S.	BR
Timber Harvest Volume - Total (short tons)	8,844,388	360,682
Harvest Activity - Final Harvest (U.S.-acres, BR-hectares)	63,600	1,700
Harvest Activity - Intermediate Harvest (U.S.-acres, BR-hectares)	77,300	500
Trees Planted	34.8M	2.0M
Area Reforested[8] (U.S.-acres, BR-hectares)	63,400	1,330

In conjunction with the Brazilian Agricultural Research Corporation (Embrapa), RMS has been a part of leaf cutting ant control research that was completed in 2022. Outcomes of this research include an application that guides forest managers where to apply insecticides based on harvest regime and time of year, which helps minimize the use of chemicals. The researchers also found multiple potential fungi that could be used as non-chemical ant control method, and they are working on making it commercially available.

8. Includes afforestation

SOCIAL

DIVERSITY, EQUITY & INCLUSION (DEI)

The forest and forest products sector currently lacks representation of women and black, indigenous and people of color (BIPOC) individuals. As we face numerous forest challenges, the diversity of thought and viewpoints create opportunities to think about forests in new ways and create lasting sustainable impacts.

RMS VISION

We envision RMS and the forest sector to be as diverse as the world in which we operate.

HOW?

RMS works to broaden our recruiting practices to include wider networks and intentional pathways to help underrepresented groups connect with the forest and forest products sector.





RURAL ECONOMIC DEVELOPMENT

Most of the forests we manage are located in rural communities and, as such, they promote job creation across the entire supply chain and increase the economic viability of those communities through locally purchased goods and services and through tax revenue.

RMS VISION

We envision a thriving forest economy that fosters both economic and climate resiliency.

HOW?

The forest sector is the backbone of many of the communities in which we operate. By investing in these communities and advocating for strong markets, we work to create economic opportunities for these diverse rural communities and economies. Through education and outreach opportunities, we promote the importance of forest-based job opportunities.





SOCIAL

Tuskegee University Forestry and Natural Resource Trek Camp, Central Region

Supporting and taking care of our people is core to our beliefs and essential to servicing our clients and creating positive environmental and social outcomes in the long-run. Taking care of our people is a multifaceted commitment—one that influences how we hire, train and support our employees and contractors, and how we engage with other stakeholders, including our neighbors and the communities in which we operate.

We fulfill these obligations by:

- Creating a challenging, rewarding, and inclusive culture and work environment.
- Supporting endeavors that enhance the quality of life for our neighbors and communities.
- Sharing our forestry and forest investment expertise to help educate stakeholders and contribute to our professions.
- Observing stringent health and safety guidelines and promoting training to improve safety performance for employees and contractors

OUR PEOPLE

Our people fuel our entrepreneurial culture and enable us to create value for our clients. As of December 31, 2022, RMS employed 142 people in the U.S. Southeast and 14 people in southern Brazil. Collectively, these individuals embody our Mission and Vision. The Washington Post[9] recently conducted an analysis on U.S. Bureau of Labor Statistics and determined: "Agriculture, logging and forestry have the highest levels of self-reported happiness—and the lowest levels of self-reported stress… ." At RMS, we want our employees' experiences and perceptions to mirror or exceed these levels of employment satisfaction—both in and out of the woods.



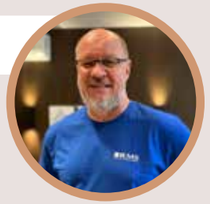
Kiley Hinson,
Resource Forester
North Carolina Region

Investing in our people and culture is a clear call from RMS leadership. Leveraging an initiative that originated in our regional Texas office, RMS established a "Fun Committee" at our headquarters in Birmingham, AL to plan social events such as brown bag lunches, celebrations and other activities to ensure we are maintaining connections and building the morale of our team. We also invested in our internal communications by establishing an internal company newsletter and increased use of company-wide virtual meetings to keep our U.S. and Brazil teams better informed and connected.

9. Andrew Van Dam. (2023, January 6). The happiest, least stressful, most meaningful jobs in America. Retrieved from The Washington Post: https://www.washingtonpost.com/business/2023/01/06/happiest-jobs-on-earth/?utm_source=pocket-newtab

Our strong RMS culture is the secret sauce that has enabled us to successfully navigate a series of major market and company transformations since our founding in 1950. **We asked some of our employees to define what the RMS culture means to them.**

FABIO BRUN



MANAGING DIRECTOR SOUTH AMERICA
Joinville, Brazil
Started: 2008

"RMS provides conditions for professionals to act autonomously and responsibly. There are no hierarchical barriers that set people apart and make them feel less accountable. Most importantly, RMS' culture allows people to quickly take on problems and enjoy opportunities as they are presented."

HUNTER BOWMAN



PORTFOLIO MANAGER
Birmingham, Alabama
Started: 2021

"Burgeoning, nascent, evolving, neighborly and tight knit. We value our flat structure, accountability and collaboration. In my role, I am constantly demanding work products from my co-workers. It's a lot less stressful to ask for something from someone you know and trust than it is to extract work from a stranger. There is a dialogue and feedback loop here that is only possible from having shared experiences, a mutual history."

DENNIS DUBOSE



EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER AND CHIEF COMPLIANCE OFFICER
Birmingham, Alabama
Started: 2009

"I've been affiliated with RMS for over three decades, and the culture has always been consistent. RMS strives to create a strong ethical culture which motivates everyone to speak and act with honesty and integrity. These values cultivate an amazing work environment for RMS employees. I'm proud to work alongside some of the industry's best."

SAM SEAMON



RESOURCE FORESTER
Lufkin, Texas
Started: 2021

"Passionate, collaborative and honest is how I view the RMS culture. I'm on a team that cares, and there is a sense of pride and ownership in our work that I believe all RMS employees have. As a younger, less experienced forester, I have leaders that put me in a position for success, and they trust me to learn and grow within my position. I've always felt that RMS gives its employees the freedom to make decisions for the betterment of the company, which can be expanded to include financial return for our clients, stewardship, and building relationships in and outside of RMS."

TONY DOSTER



REGION MANAGER
Wilmington, North Carolina
Started: 2006

"RMS is a forestry-first company. We value not only working forests. We value the professionals entrusted to their care. RMS' values include a strong commitment to employee growth and development, insuring through both pay and benefits that employees are secure, thus creating an environment where employees know they can try things, make mistakes and learn. As a manager, I try to create an environment where I can encourage my people to be their best and find enriching, purposeful and enjoyable work."



PEOPLE DEVELOPMENT

Investment and Sustainability team members, Birmingham, Alabama

RMS strives to provide a challenging and inclusive work environment—one that also connects people and their passions. In addition, we continuously work on adapting and evolving our systems and policies to support and enhance the well-being of our existing and prospective team members. In 2022, we continued to demonstrate flexibility in the face of pandemic-driven labor shortages, which impacted everything from the execution of planned silvicultural and harvest operations to our capacity to haul logs from our clients' properties to processing facilities run by our wood-buying customer.

PEOPLE DEVELOPMENT METRICS

$278,298
SPENT
on Employee Training and Development

4
WEEKS
Parental Leave Provided
(inclusive of all genders & family creation types)

12
WEEKS
Unpaid Family Leave Provided
(parental, family member care, medical leave)

THOUGHT LEADERSHIP

RMS employees often are asked to speak on various forest-related topics at regional or national conferences and serve in various leadership positions in and outside of RMS.


1


2



3


4


5


6

Photos above:
1: Amanda Nunes (center) named University of North Alabama Program Advisor, Women in Leadership 2022
2: Tony Doster elected to Board of Directors for the Society of American Foresters (SAF)
3: Kirstie White (left) speaking at the Women's Forest Congress. Photo credit: EPNAC.com
4: Jose Ferriera elected President of the Santa Catarina State Forestry Association (ACR)
5: Cierra Ward recognized as one of the University of Florida's 2022 40 Gators Under 40
6: Alex Hinson, Executive Panel, 2022 Forisk Conference



EDUCATION

South Carolina Teachers Tour, SC Region

Stewardship goes beyond growing trees. Being able to cultivate the next generation of forest leaders and provide educational opportunities is a great impact measure and important for long-term business success. RMS maintains a robust internship program, offering internship opportunities with many of our teams from Investment Management to Operations. Our scholarship programs also provide recipients with internships with one of our field teams. We view these internship programs as one of the ways in which we can support the next generation of people who are interested in working in forestry and the forest investment sector, while providing exposure to RMS and hopefully stimulating the desire for interns to seek full-time employment with us post-graduation. Other educational efforts include engaging with elementary, secondary and university students through forest tours, classroom presentations and student workshops that are designed to help educate participants about the role foresters play in managing complex ecosystems and in producing nature-based products and services that are of value to society.

19
College Interns Hosted

28
Educational Lectures & Presentations Given

6
College Interns Hired As Full-Time Employees

CELEBRATING OUR INTERNS



KATE PERRY

FORESTRY INTERN
(Wilmington, NC)
BUSINESS DEVELOPMENT INTERN
(Birmingham, AL)

Duke University, Master of Forestry/Master of Business Administration Candidate

"I have loved getting to know the North Carolina team and helping with the many tasks that go into forest management. From cruising with fellow interns to helping calculate in-woods harvest emissions, each day looked a little different. I felt very supported, empowered to work on my own, and I felt like I was making a real contribution to the company. I am excited to come back in the summer of 2023 to intern with the Business Development team and learn about how RMS is working to grow and improve as a leader in this industry. There is so much developing in the forest/business space, especially relating to climate and carbon, and I am looking forward to diving into all these topics."



RILEY HEITSCHMIDT

RESOURCE PLANNING INTERN
(Birmingham, AL)
OPERATIONS ANALYST
(Birmingham, AL)

Auburn University, B.S. Forest Engineering

"During my internship, I learned a ton about data management, how forest inventory is captured, and I got to test different growth & yield scenarios, help automate reporting tasks and synthesize data to create meaningful reports. Training was scaffolded, and I felt able to walk up to anyone's office to ask for help. I feel like I have good working knowledge of RMS' inventory data, and I'm excited to learn more about what that data means and how those influence management decisions in my next role at RMS."



Annual Oyster Roast, North Carolina Region

COMMUNITY

RMS COMMUNITY ROOTS

Connection and relationship building are at the core of what we do. The RMS Community Roots program was established to support our employees in their efforts to engage in outreach in the communities where they live. Each year, members of our team devote hundreds of volunteer hours to educational, philanthropic and community-based efforts focusing on promoting forest sustainability and forestry as a profession. RMS provides employees with one paid volunteer day per year and encourages active engagement in their communities.

RMS 2022 IMPACT ON COMMUNITIES

Employee Volunteer Hours Committed
1,500+
HOURS

Forest Tours Hosted & Led
9
TOURS

Community Events Sponsored & Attended
9
EVENTS

ENGAGING
COMMUNITIES IN BRAZIL

Our Brazil team greatly expanded their community engagement in 2022 through various projects and initiatives. One of these projects involved the restoration of an ecological trail at Zoobotânico Park in Joinville, Brazil. In collaboration with the Joinville Mayor's office, RMS staff helped plan the development and execution of the trail restoration, contributed financially and helped with some of the trail work as well. This park provides an urban oasis for many in the community and is a pocket of the Atlantic Forest of Brazil, a forest of global conservation priority.

Working forests offer many intersections for positive environmental and social impacts. With a mosaic of age classes intermingled with rich, natural forests, RMS-managed areas provide a variety of habitats for many plant and animal species. In all our natural forests, RMS' fauna and flora monitoring program has identified a great diversity of pollen-producing plants and trees. This diversity and the careful use of chemicals in our adjacent plantation stands provide a great environment for pollinators like bees, and pollinator health is a positive indicator of good ecological health. In Santa Catarina, Brazil, RMS has been partnering with a beekeeping program for over 15 years in the natural parts of forest stands. This program allows families to use RMS-managed land to keep bees, which provides families and small, rural producers with sources of income, food and medicines from the products they cultivate. Currently, seven families participate in the program, which produces approximately 6 tons of honey a year that serve as raw material for various products such as pollen, cosmetics, drinks and medicinal products. In this way, the working forests we manage provide diversification of income and rural economic development on top of a wide array of ecological benefits, including pollinator health.

RMS
RAÍZES DA COMUNIDADE





















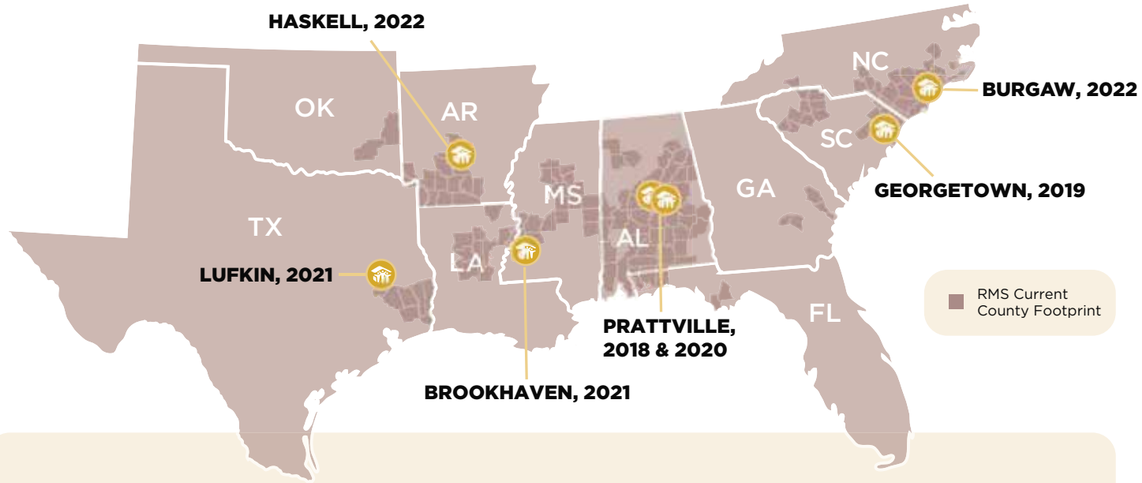
All of these pictures are from the Zoobotânico Park in Joinville, Brazil.



THE INTERSECTION OF FORESTRY AND HOMES

RMS began working as a partner with Habitat for Humanity (H4H) in 2018 and, since then, we have helped the organization build seven homes for families in the communities where we live and operate. We have focused our charitable efforts in the small, rural communities in operating regions and where the forest industry plays an essential role in anchoring local economies. As a company, we realized we could not undertake this effort alone, and we learned that leveraging our donations with those of our industry partners multiplied our collective impact, creating synergies and further strengthening already important relationships. Our company goal for involvement with H4H is simple—build at least one home for a well-deserving family in each of our operating regions.

In 2022, we worked with 40 industry partners to collectively raise over $140,000 to build two H4H homes—one in Haskell, Arkansas and the other in Burgaw, North Carolina.



2022 Habitat for Humanity Metrics

28%
of RMS U.S. Employees Participating in Home Builds

628
Employee Hours Volunteered for Home Builds

$50K
Direct Contributions from RMS for Home Builds

40
Forestry & Forest Industry Partners Involved

140K+
Collective Contributions from Industry Partners

ENVISIONING A FUTURE

FOR MASS TIMBER HOUSING IN NORTHWEST ARKANSAS

In the fall of 2022, a unique exhibition opened at the Crystal Bridges Museum in Bentonville, Arkansas. The exhibition's goal was to demonstrate architectural designs that would re-imagine the future of housing in the region, which is struggling with population growth and the stresses it inevitably places on housing affordability. One component of the exhibition was called "house of trees : city of trees." Made entirely of mass timber, it was conceived and designed by the award-winning, New York-based architectural firm LEVENBETTS. One consistent thread throughout the project build was "local"— the trees were grown in Arkansas, Arkansas loggers harvested the wood and delivered it to Arkansas mills who manufactured the wood and mass timber used, and Arkansas truckers hauled the wood to the construction site where Arkansas carpenters assembled the exhibit.

RMS supported the "house of trees : city of trees" exhibition by donating funds, materials and expertise and by leveraging our contacts in Arkansas' forest products industry to provide additional support. We also collaborated with the Sustainable Forestry Initiative® (SFI), which provided additional funding for the exhibition through its Community Grants program. What follows are excerpts from a joint interview about the exhibition featuring Stella Betts, Partner, and Jen Shin, Project Lead and Environmental Strategist; Annie Perkins, Senior Director, Green Building and Supply Chain, at the Sustainable Forestry Initiative; and Duke McLarty, Executive Director of the Northwest Arkansas Workforce Housing Center, which is focused on addressing the issue of affordable housing in the region.


Stella Betts


Jen Shin


Duke McLarty


Annie Perkins

Crystal Bridges
Museum of American Art

Q: How would you explain the significance of the "house of trees : city of trees " exhibition?

A: Jen Shin, LEVENBETTS: The exhibition was an opportunity to show how we can address the challenges of affordable housing by demonstrating how a region's urban, suburban and rural attributes, resources and landscapes can be leveraged to create more sustainable and more affordable communities.

A: Stella Betts, LEVENBETTS: I would add that being based in New York City, we really enjoyed having an opportunity to take a "deep dive" in Northwest Arkansas with this project. Our goal was to demonstrate how the region's abundant forests and the skills and competencies of its local forest products manufacturers could produce a renewable, sustainably grown and climate-friendly product—mass timber—that could be used to help meet the region's growing housing challenges—and do so in ways that were not only functional and environmentally responsible, but also beautiful! We focused on developing architectural designs that would demonstrate how mass timber could be used to incorporate nature into our living environments and how it could be used to build housing that pushed the limits of what many may think is possible by connecting design with nature.

Q: From the standpoint of the forest products and forest management communities, how would you, Annie, describe the importance of the exhibition?

A: Annie Perkins, Sustainable Forestry Initiative: I think "house of trees : city of trees" makes an important contribution to the public's understanding and appreciation for the potential of mass timber because it enables us to walk into an environment where we can experience it in a tangible way. It enables us to connect the dots and recognize the benefits our sustainably managed forests can provide in terms of creating solutions for a plethora of community challenges.

A: Duke McLarty, Northwest Arkansas Workforce Housing Center: I agree with Annie. I see the exhibition shining a light on an issue that is the key to our region's future growth and economic prosperity—the need to create more affordable housing options for those who want to live and work here. Survey after survey indicates that what people who live in this region love the most about it, and what they want to protect, is our natural surroundings. As a result, the notion that we can address the issue of affordable housing, in part, by making use of a material like mass timber that is renewable and sustainably produced right here really resonates with the people of this region.









Q: What was SFI's motivation for making an award in support of the exhibition through its Community Grants Program?

A: Annie Perkins, Sustainable Forestry Initiative: We were thrilled to be a part of the project because it exemplified our mission, which is to advance sustainability through forest-focused collaboration. The support we provided through our Community Grants Program will anchor a collaboration with Project Learning Tree, which will use the exhibition to help educate children and their families in Arkansas about sustainably managed forests and how renewable forest products can help us both address societal challenges and improve our overall quality of life. All in all, it was a great fit with our priorities as an organization.

Q: What is the connection between the exhibition and the specific need for more affordable housing in Northwest Arkansas?

A: Duke McLarty, Northwest Arkansas Workforce Housing Center: Broadly, Northwest Arkansas is a similar to other regions in the United States. We are experiencing a gradual blending of our urban, suburban and rural landscapes, and there is an appetite locally to explore new ways of addressing our housing needs. Here at the Northwest Arkansas Workforce Housing Center, we are focused on throwing new ideas against the wall to see how they can fit. When I host out-of-state developers, I bring them to the Crystal Bridges Museum to show them the exhibition because it helps emphasize our spirit of innovation and enables them to better imagine how they might work with us. From the region's citizens' perspectives, I think the exhibition is helping to socialize the idea of what a new housing paradigm for this region could look like. Like a lot of areas, we are experiencing high housing costs and suburban sprawl. I do not think this is consistent with how most people in this region would like to see Northwest Arkansas continue to grow and develop. To deal with our housing challenges, a new housing pattern and paradigm needs to take hold—and the pavilion at Crystal Bridges provides us with a sense of what that could look like and how it could be integrated into our desire to conserve and make better use of our region's forests and other natural resources.



Q: What is the future of mass timber and how do events like "house of trees : city of trees" create momentum around both its acceptance and use as a preferred building material?

A: Stella Betts, LEVENBETTS: There is a huge emphasis in the architectural world right now on how to employ mass timber. It has become a major focus of attention in academia and within the building and construction communities. It is also being discussed and explored at the state and local levels by those who oversee our building codes. All of this is very positive and, over time, our expectation is that efforts like the Crystal Bridges Museum exhibition will drive increased interest in mass timber. As that happens and as it is used more often for both large and small-scale building projects, it will become more accessible and more affordable because of scale.

Q: How would you characterize the contributions RMS made to the exhibition?

A: Jen Shin, LEVENBETTS: RMS was a key player! We had a vision for how we wanted to develop the project, but we really did not understand what was involved with procuring the materials that would be needed to pull it off. When we reached out to RMS to explain what we were doing and what we needed in the way of help, they immediately got it. They recognized that the exhibition was an opportunity to highlight the value and importance of sustainably managed forests, and they helped us understand what we would need in the way of cooperation and materials to execute it. All in all, RMS played a pivotal role and we were grateful to have the firm as a supporter and partner.



LEADERSHIP DEVLOPMENT

RMS recognizes that diverse organizations perform better, and the forestry sector has traditionally lagged other industries on this important management and organizational dimension. With enormous challenges like evolving markets and skilled workers, climate change and biodiversity loss, we believe that fostering a mosaic of voices in the forestry sector better reflects the composition of our diverse society and is one of the keys to meeting the demands of our times. Data suggests more people are looking for green careers and climate jobs, but there are still many communities who are either not exposed or feel excluded from forest-related careers. RMS is intentional about creating pathways for underrepresented groups to find fulfilling careers in forestry through our three scholarship programs. We believe collaborating to build a more diverse and inclusive sector will only help RMS as an organization in the years to come.

To increase diversity in the forestry sector, RMS has undertaken several initiatives to expand the pipeline of talent from underrepresented populations in the forestry profession, including students of color and women. Our three scholarship programs—The Craig Blair-RMS Forestry Scholarship, RMS Forester of the Future Fund and the RMS Society of American Foresters (SAF) Scholarship—provide financial and career support to undergraduate students studying forestry or a forestry-related field. Along with financial assistance, the scholarships provide full-time, paid summer internships with RMS. Scholarship recipients also are paired with RMS employee mentors.

SCHOLARSHIP METRICS

THE CRAIG BLAIR-RMS FORESTRY SCHOLARSHIP

EST. 2016

$305,000 DISBURSED TO DATE	22 RECIPIENTS TO DATE
$75,000 DISBURSED 2022	7 RECIPIENTS 2022

RMS FORESTER OF THE FUTURE FUND

EST. 2018

$40,000 DISBURSED TO DATE	2 RECIPIENTS TO DATE

RMS/SAF SCHOLARSHIP

EST. 2021

$10,000 DISBURSED TO DATE	1 RECIPIENT TO DATE
$10,000 DISBURSED 2022	1 RECIPIENT 2022

SCHOLARSHIP PARTNERS

WOMEN'S FOREST CONGRESS

In October 2022, nearly 500 in-person and virtual participants from 38 U.S. states, three Canadian provinces and eight additional nations attended the inaugural Women's Forest Congress (WFC) in Minneapolis, Minnesota. Together, they addressed a variety of issues and themes, including leadership for equity and inclusion; workforce opportunities for increasing recruitment, retention and advancement; women as catalysts for change in the forestry profession; addressing today's greatest forest challenges and supporting each other. RMS Senior Vice President of Corporate Communications Mary Kay Greer and Forest Sustainability Analyst Kirstie White attended the event and contributed to the dialogue. When expressing the importance of such an event, Mary Kay Greer said, "Historically, women have accounted for a very small proportion of those who work in forestry and the forest business sector, and this dynamic can foster a sense of isolation because our day-to-day work lives rarely provide opportunities to connect and engage with others like ourselves. Being able to participate in this kind of networking is important for us all—men and women alike. This is why the "Women's Forest Congress" was so energizing. It provided us with an opportunity to meet our peers—to hear about their careers and aspirations—and to learn about the contributions they are making to their organizations and the forestry profession. Most importantly, I was excited to see so many students in attendance, because it demonstrated how this business sector is growing and evolving. I'm grateful that RMS encouraged me and others from our company to participate. We've expanded our professional networks, and this will empower us to better support the achievement of the company's business objectives in the years to come."



Mary Kay Greer, SVP, Corporate Communications and Kirstie White, Analyst, Forest Sustainability



ECONOMIC IMPACT

EVP Charlie Cornish visiting SKJ Moore logging operation, North Carolina Region

Inflation and economic uncertainty were external themes that defined 2022 activities, and strengthening existing and emerging wood markets is critical not only for climate resiliency but also to promote economic resiliency. Forestry roots run deep in many of the rural communities where RMS operates and, in fact, forestry is often the backbone of their economies and cultures. As an asset class, timberlands experienced strong returns in 2022 amid a backdrop of high inflation, negative returns experienced by nearly every other asset class, market volatility stemming from the Russia-Ukraine conflict and seven rate hikes to the U.S. federal funds rate. An investment in timberland can mitigate the impact in low returns and high inflation during periods of increased volatility, leading to stable revenues and capital preservation.

$597M
Payroll Supported in the U.S.

$1.8B
Sales & Manufacturing Driven Economic Activity

14,500+
No. of Jobs Supported

199
No. of Contracting Firms

97%
Available Area for Hunting & Outdoor Recreational Opportunities in the U.S.

Economic and jobs data provided by NAFO.

RETHINKING THE VALUE OF SOUTHERN FORESTS

Forest loss is an issue of concern across the United States, but particularly in the U.S. South, where growth and the ever-accelerating development pressures in urban centers have the potential to dramatically change the landscape, economy and culture of the region. “The Southern Forest Future Report,” a publication of the U.S. Department of Agriculture’s Forest Service, estimated urbanization has the potential to consume as much as 23 million acres of the Southern Forest by 2060—an area equal to 19 Grand Canyons.

In 2016, an organization called *Keeping Forests* was established to ensure a thriving future for Southern forests. A diverse coalition of global business leaders, environmental experts, government agencies and forest advocates determined that the best way to achieve this vision was to support stewards of private lands who actively manage over 86 percent of the forests in the South. Keeping Forests is driven by the collaborative efforts of 20 partners actively providing financial and technical support to the effort and more than 200 engaged in its mission.

“We have a unique opportunity in our nation’s conservation history to elevate the value of privately-owned forests in the South. The owners and stewards of these lands play a critical role in addressing issues like climate change and biodiversity loss by keeping their forests as forests. **Our mission is to leverage the power of a diverse coalition from all sectors of society to conserve Southern forests, their full range of values and the livelihoods they support. We are unique in that we catalyze market-driven forest conservation solutions that impact the entire landscape of the Southeastern U.S.** Our success depends on our ability to convene a community of multi-sector partners to yield the most innovative and scalable solutions. The pace and scale of change facing Southern forests demands bold action. Keeping Forests is rooted in the idea that the way to achieve that boldness is to bring together diverse and sometimes opposing perspectives to collaborate in ways that challenge the status quo,” said Calandrella.

Calandrella said that a key value for the companies and organizations that have partnered with Keeping Forests is that it serves as a trusted, non-partisan space that facilitates connections among groups that might not ever otherwise encounter one another but whose joint efforts highly benefit Southern forest conservation. In describing the role RMS is playing in the effort, she said, “RMS was an early and critical player in Keeping Forests. They have always understood the bigger purpose of what we are out to accomplish and continue to give us credibility through their own reputation in the community. They see and understand the trends driving forest loss, and they recognize the importance of the South in a local, national and global economy. They offer a perspective that values the region’s people, business, environment and culture. RMS is a model for what it means to bring openness and sense of reciprocity to a partnership that aims to transform the future of forest conservation.” RMS is proud to be a founding member of Keeping Forests.

KEEPING FORESTS





North Carolina Property Tour with Tony Doster, North Carolina Region Manager

SAFETY

A safe and healthy work environment is of paramount importance to the well-being of our employees and contractors—and for the long-term sustainability of how RMS conducts business. Our ESG Materiality Assessment highlighted the on-the-job health and safety of our employees and contractors as an issue of material importance to our clients and other stakeholders. A culture that emphasizes safe workplace behavior helps reduce costs and the risks associated with all aspects of the forestry supply chain—including those relating to RMS' forest management activities. In 2022, we improved our reporting program to obtain more timely and actionable safety data on the activities of our contractors, which enabled us to provide better oversight and client communication.

RMS SAFETY METRICS

RMS 2022 EMPLOYEE SAFETY PERFORMANCE

0	0	0	0
Number of Incidents (U.S.)	Days Lost Due to Safety Incidents (U.S.)	Number of Incidents (BR)	Days Lost Due to Safety Incidents (BR)

RMS 2022 CONTRACTOR SAFETY PERFORMANCE

12	109	11	45
Number of Incidents (U.S.)	Days Lost Due to Safety Incidents (U.S.)	Number of Incidents (BR)	Days Lost Due to Safety Incidents (BR)

ADVOCACY

Public policy engagement is essential to the reduction of investment and operational risk and creation of value for our clients and society. In 2022, RMS worked closely with other private forest landowners and managers through our affiliations with the National Alliance of Forest Owners (NAFO), the Forest Landowners Association (FLA), Forest Resources Association (FRA) the Congressional Sportsman's Foundation (CSF) and state forestry associations on a broad range of legislative issues. These are summarized in the table below.

2022 ADVOCACY HIGHLIGHTS

TOPIC	PARTNER	PROGRESS
Maintaining access to labor for reforestation and other critical forestry-related work	NAFO, FLA, FRA	Secured 55,000 supplemental H-2B visas in FY2022 and 65,000 in FY2023 in addition to the congressionally authorized annual cap of 66,000 visas. This labor force is critical for reforestation and silvicultural treatments on RMS and across the entire forestry sector.
Inflation Reduction Act (IRA)	NAFO, FLA, FRA, CSF	Passage of this law in Congress provided historic investment in climate-smart forestry and nature-based solutions on private and public lands. - Increased investments in wildfire resilience and recovery and climate-smart forestry grants - $2.3BN in private & working forests - Prevented inclusion of harmful tax provisions
FY2023 Omnibus	NAFO, FLA, FRA	Secured $100 million in funding for Wood Innovation Grants, increased funding for the Forest Inventory Analysis (FIA) data collection.
Decision to not list the gopher tortoise in the eastern segment of its range	NAFO WCI, USFWS, NCASI, FLA, state forestry associations	- Negotiated a Memorandum of Understanding (MOU) with the USFWS and NCASI to operationalize the WCI nationwide. - Secured a favorable listing decision for the gopher tortoise under the Endangered Species Act (ESA) based on WCI engagement.

GOVERNANCE

GOOD GOVERNANCE FOUNDATIONS

We believe good goverance value creation and risk reduction all go hand-in-hand for meeting or exceeding the expectations of clients and society.

As is referenced in our ESG Policy, RMS' tenets for good governance practices include:

- **Ethical business culture:** We strive to maintain an ethical business culture—one that emphasizes adherence to our fiduciary responsibilities and embraces transparency, which we believe is essential for sustaining strong relationships with our investors, employees, partners and stakeholders. We believe our relatively flat management structure elevates each employee's responsibility inside the organization and eliminates excess management layers to improve coordination and communication and leads to overall employee satisfaction. In setting pay, we align compensation with industry benchmarks to ensure employees are paid at or above industry norms.
- **Compliance:** We strive to adhere to all laws and regulations of the jurisdictions within which we are active and adhere to the requirements of our sustainable forestry certifications and responsible investment affiliations.
- **Improvement:** We strive to make continuous improvements 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.
- **Respect:** We develop relationships with external partners based on mutual respect—working collaboratively to achieve greater recognition of the importance of forests and forestry for achieving ambitious societal outcomes.

GOOD GOVERNANCE METRICS

Percentage of RMS employees with ownership stakes

19%

Company equity held by employees

73%

Turnover as % of full-time equivalents

12%

Net New Hires

4

Compensation ratio[10]:

3.62

10. Ratio of the median base salary of the executive leadership team to the median base salary of all other RMS employees.



PRIORITIZING
OUR CLIENTS

Both formally through robust quarterly and annual reports and informally through routine communication and information sharing, frequent and transparent communication with our clients is a priority. For the first time since the pandemic began, we hosted the RMS Annual Client Meeting in Charleston, SC. The meeting was well attended with high engagement from Limited Partners, Client Representatives and employees. Each attending client got an individualized review of their portfolio, and all were offered the opportunity to participate in a field tour of the South Carolina region. The 2022 general session themes were Forest Carbon Markets and Trucking Logistics in the forest sector.

GOVERNANCE STRUCTURE

The RMS Board of Managers is composed of one chairman, four internal members and three external members. We believe this mix gives us the right balance of respect, trust and candor to hold us accountable, offer wisdom and insight, and drive continuous improvement. The RMS board, along with other key members of the organization, is responsible for RMS' profitability and is responsible for formal oversight and implementation of ESG activities. The RMS Investment Committee (IC) has authority for the day-to-day governance and implementation of policies and procedures.

RMS GOVERNING BOARD



CRAIG BLAIR
Chairman
RMS Board of Managers

INTERNAL BOARD MEMBERS



ALEX HINSON
President and CEO



CHARLIE CORNISH
Executive Vice President, Operations



DENNIS DUBOSE
Executive Vice President, Chief Financial Officer & Chief Compliance Officer



CHARLIE PRINGLE
Executive Vice President, Investments

EXTERNAL INDEPENDENT BOARD MEMBERS



RICK DAHL
Retired Chief Investment Officer, MOSERS



DEBORAH SPALDING
Co-Chief Investment Officer, Commonfund Asset Management



THOMAS LAMBERTH
President and CEO, Russell Lands



BOARD OF MANAGERS
OVERSEES AND ADVISES

INVESTMENT COMMITTEE
OVERSEES AND IMPLEMENTS

Policies & Procedures
- Approvals & decisions (ex. ESG policy)
- Controls (ex. internal audits)

Disclosures
- Annual investor reports
- Annual sustainability reports

3rd-Party Verification
- SFI, FSC certification
- Securities & Exchange Commission (SEC) audits
- Accounting audits
- Timber security audits
- Greenhouse gas emissions audits



DIVERSITY, EQUITY & INCLUSION

Research on diverse, equitable and inclusive workforces all cite common benefits such as better innovation, improved teamwork, enhanced decision-making, increased employee retention and greater profitability. At RMS, we want to ensure that people with diverse backgrounds and perspectives are included in both our teams and our sector and, more importantly, are involved in our decision-making processes. Consequently, we are intentional about devoting the time and energy required to ensure this happens. Our scholarship programs have been an area of emphasis for encouraging and promoting gender, racial and ethnic diversity in our workforce. The charts to the right demonstrate some of the impacts these programs have had at RMS, and we recognize we still have work to do.

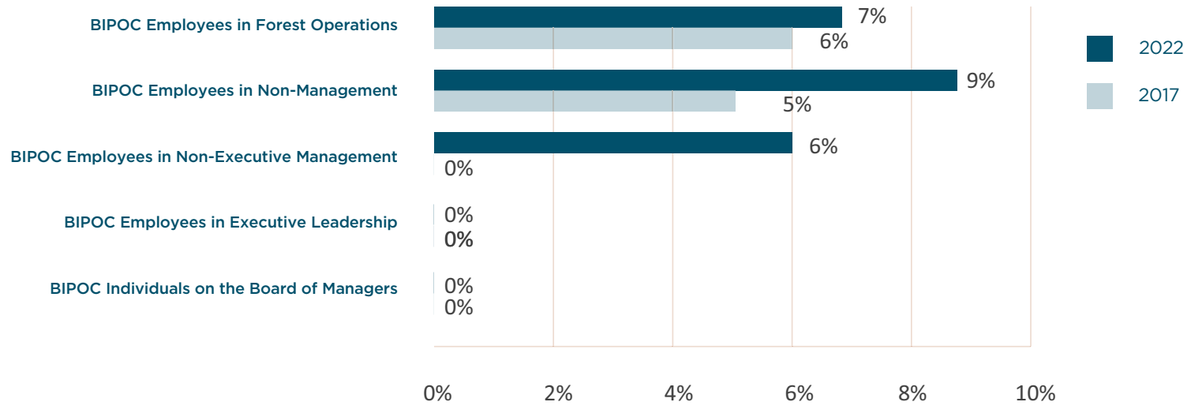
DEI POLICY

In 2022, we created and adopted a DEI policy and a set of guiding principles. While our employee handbook had been covering a variety of topics regarding antidiscrimination, our DEI policy and guiding principles provide greater definition to how we will foster diversity and inclusion at RMS.

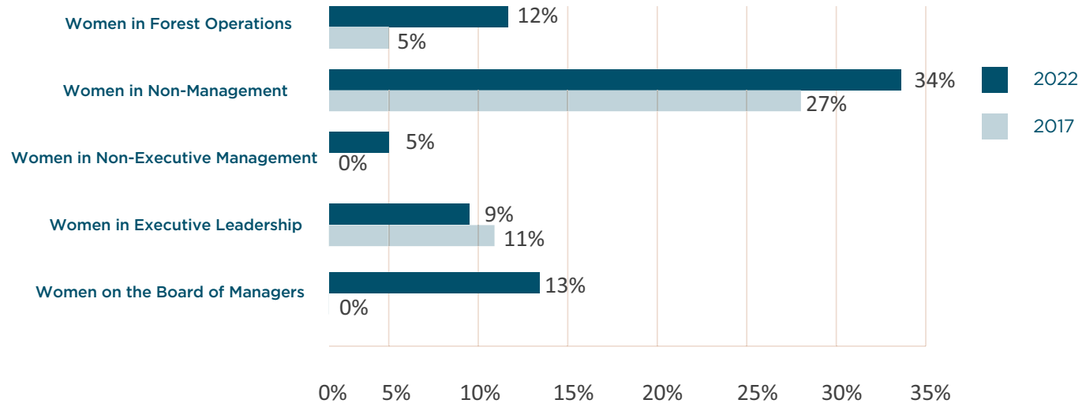
Policy:

"Our employees, management and owners are committed to building a diverse and inclusive team. We believe this requires conviction and intentionality. We will make decisions about our people based on performance and actively promote a culture that welcomes everyone. Together we can create a company that is recognized as the premier creator of forest value."

RACE/ETHNICITY BY ROLE (U.S., %)



GENDER BY ROLE (GLOBAL, %)





BBQ Contest, Birmingham, Alabama



MONITORING OUR PERFORMANCE

Internal audit, North Carolina Region

FOREST OPERATIONS AUDITS

RMS relies upon third-party forest SFI and/or FSC certification across our assets under management to manage ESG risks and opportunities from both an organizational and operational standpoint. We use internal and external sustainable forestry audits as some of our primary governance tools. Our internal forest operations audits include audit preparation, field audits conducted by separate auditing and auditee regions, and a cycle of continuous improvement. These all help us prepare for external certification audits and serve as forums to share best practices and constructive feedback.

2022 EXTERNAL AUDIT OUTCOMES

TYPE OF ISSUE	SFI	FSC	
	U.S. (Number)	U.S. (Number)	BR (Number)
Observation/Opportunity for Improvement	2	0	3
Minor Corrective Action	0	1	2
Major Corrective Action	0	0	0
Best Practice	1	N/A	N/A

All U.S. SFI and FSC and Brazil FSC external audits produced excellent results. The audit teams provided helpful feedback on RMS operations, highlighting in particular:

- Cut-out analysis for 2019-2021 shows actual harvest levels have been within 2.8% of estimated, providing evidence the growth and yield program can be relied upon to project future harvest volumes that are sustainable.
- Chemical applications have historically been very well done, and this audit demonstrated similar results. Auditors noted a rigorous herbicide application procedure.
- Paperwork with documentation of planning, execution and monitoring all activities was excellent.
- GIS application that allows immediate treatment of invasives (in this case, cogon grass) is a great tool.
- Rigorous internal auditing process and training has RMS Team knowledgeable and well prepared.

ACCOUNTING AUDITS

RMS' accounting process focuses on ensuring the accuracy and transparency of our financial accounting and investment reporting methods. These processes are essential for maintaining the trust of our clients, investors, and the regulatory bodies that oversee our business. Engaging a third-party timber security firm and field office inspections are among the ways in which we use internal accounting audits as a robust governance tool. The timber-security firm with which we contract helps detect any fraud in forestry-related activities while our field office inspections, which are conducted by team members from other RMS operating regions, help us evaluate the operating effectiveness of accounting processes such as cash receipt and expense transactions. This not only reduces operational risk, but it is also a time where regions can come together to share best practices and continually improve.

A MESSAGE FROM



CEO AND PRESIDENT ALEX HINSON

RMS has long held in high regard its responsibility to manage natural assets, specifically forests. Our personalities as individuals and as a company reflect a respect for forests and great enthusiasm for forest stewardship. Although forest management has been practiced by humans for centuries, it continues to evolve and expand in breadth. In this environment of change, RMS has chosen to change with the industry, while maintaining our values and leveraging our strengths.

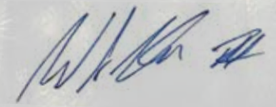
As we conduct business today and look to the future, we recognize the importance of being intentional about embracing and managing change. We also are enthusiastic about the growing array of opportunities that are being presented by society's growing recognition that forests, including investment-grade working forests, can be forces for good. Investors in timberland have rightfully developed increased standards of performance for their forest assets. Those we acquire, manage and operate for our clients not only have the potential to generate competitive financial performance but also clear and measurable environmental and social benefits. Additionally, working forests contribute significantly to the health and well-being of rural communities and their economies by serving as cultural anchors and sources of jobs and local prosperity. In addition, commercial forest investments have demonstrated an ongoing ability to be organized in ways that meet ESG requirements that are increasingly focused on alignment, safety, fairness and other important measures.

We relish the growing avenues to demonstrate the environmental, social and governance benefits of well-managed timberlands while also generating financial performance that is more robust and disciplined.

RMS' job is to deliver performance that meets or exceeds our clients' expectations. As a result, we get to live on the forefronts of both forest owners' perspectives and actual forest outcomes. We think that our long-standing culture of embracing change while maintaining our values and capitalizing on our strengths positions us to fulfill our mission to create forest value. RMS prioritizes several core principles, including transparency, integrity, stewardship, investment discipline and a commitment to clients' objectives. These underlying principles remain constant while we address our increasingly dynamic investment circumstances.

We are pleased that our mission as a company continues to prove relevant after more than 70 years of serving forest owners. We consider ourselves fortunate to be challenged with change within a business that we cherish.

Sincerely,



Alex Hinson
CEO and President

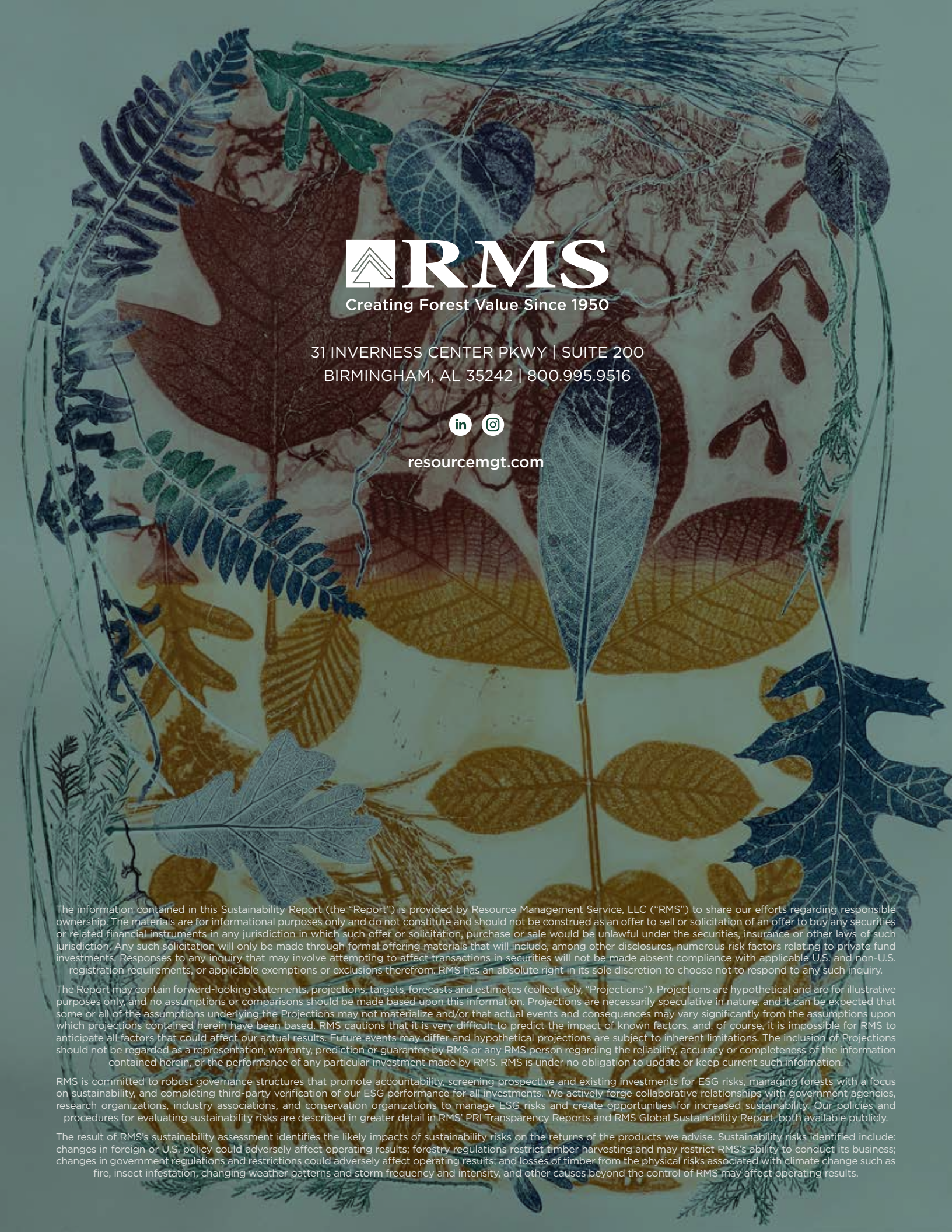
APPENDIX

SECTION	METRICS (AS OF 12/31/2022)	GLOBAL	U.S.	BRAZIL
OUR BUSINESS + INVESTMENTS	Years in Business	72	-	-
	No. of Employees	156	142	14
	Total Assets Under Management (AUM)	$4.802 B	-	-
	PRI Rating	A	-	-
ENVIRONMENTAL				
FOREST CERTIFICATION	Area of forestland certified to a third-party forest management standard (U.S. - acres, BR - hectares)	2,405,002	2,289,765	46,635
	SFI Certified area (Global, U.S. - acres)	2,118,349	2,118,349	-
	FSC Certified area (Global, U.S. - acres, BR - hectares)	995,848	880,613	46,635
	Dual-certified area (Global, U.S. - acres)	737,293	737,293	-
	Percentage of forestland certified (%)	100	100	100
HARVEST + REFORESTATION	Timber harvest volume - total (U.S. short tons)	9,205,070	8,844,388	360,682
	Harvest activity - Final harvest (Global, U.S. - acres, BR - hectares)	67,800	63,600	1,700
	Harvest Activity - Intermediate harvest (Global, U.S. - acres, BR - hectares)	78,500	77,300	500
	Trees planted	36.8M	34.8M	2.0M
	Area reforested (includes afforestation) (Global, U.S. - acres, BR - hectares)	67,700	63,400	1,330
CONSERVATION	Area of forestland with protected conservation status (Global, U.S. - acres, BR - hectares)	81,768	16,078	26,584
	- Area of forestland under conservation easement (U.S. - acres)	-	11,717	-
	- Special sites area (U.S. - acres) (HCV included)	-	11,347	-
	- Area of forestland in identified endangered species habitat (U.S. - acres)	-	6,210	-
	Species of conservation concern in managed forests (No. of Species)	-	18	-
WATER	Acres in wetland mitigation bank (U.S.) / hectares in payment for ecosystem services project (BR)	-	611	403
	Acres of streamside management zones (SMZs) / Hectares of Areas of Permanent Preservation (APP)	-	409,195	3,580
	Length of edge habitat within SMZs (Global, U.S. - mi) or Areas of Permanent Preservation (BR - km)	31,600	29,400	3,600
	Stream length (Global, U.S. - mi, BR - km)	12,900	12,050	1,300
GREENHOUSE GAS EMISSIONS	Scope 1: Direct emissions (mtCO2E)	2,670	2,550	120
	- Stationary combustion	2	2	-
	- Mobile combustion	117	-	117
	- Land-based emisisons (fertilizers)	2,550	2,550	-
	Scope 2: Indirect emissions from purchased energy (mtCO2E)	130	128	1
	- Location-Based	130	128	1
	- Market-Based	129	129	-
	Scope 3: Indirect Emissions from Value Chain (mtCO2E)	145,160	138,390	6,780
	- Purchased Goods and Services	119,460	113,330	6,130
	- Business Travel	878	873	5
	- Employee Commuting	492	448	44
	- Downstream Transportation and Distribution	24,330	23,730	596
	Total Emissions (Scope 1, 2, 3) (mtCO2E)	147,960	141,060	6,900

SECTION	METRICS (AS OF 12/31/2022)	GLOBAL	US	BRAZIL
CARBON REMOVALS + STORAGE	Land-Based Carbon Removals (mtCO2E)	-	2.20M	-
	Net land-based removals (+ sequestration, - emissions) (mtCO2E)	-	2.06M	-
	Carbon stored in harvested wood-products (100-year averages) (mtCO2E)	-	2.20M	-
	2022 Year End Carbon Stock (mtCO2E)	204.1M	201.9M	2.24M
FOREST CHEMICALS	Chemical application inspections - stands inspected	-	383	-
	Chemical application inspections - application area (U.S. - acres)	-	33,448	-
	Chemical application inspections - % inspection sites in compliance	-	97	-
	Chemical application inspections - # instances of non-compliance	-	11	
SOCIAL				
PEOPLE PRACTICES	No. of employees	156	142	14
	Investment in employee training and development ($ USD)	$278,298	-	-
	Weeks of parental leave provided (paid)	4	-	-
	Weeks of family leave provided (unpaid)	12	-	-
	Interns hired as full-time employees	6	6	-
COMMUNITY	% of employees participating in 2022 Habitat for Humanity activities	-	28%	-
	No. of hours contributed by RMS employees to 2022 Habitat for Humanity activities	-	628	-
	Direct contributions from RMS for Habitat for Humanity home builds	-	$50,000	-
	Forestry & Forest Industry Partners Involved in Habitat for Humanity Home Builds	-	40	-
	Collective Contribution from Industry Partners	-	$140,000	-
	No. of hours volunteered by employees in 2022	1,500+	-	-
	No. of community events hosted & sponsored	13	-	-
	No. of forest tours hosted	9	-	-
	No. of educational lectures and presentations given	30	-	-
	No. of interns hosted	19	17	2
ECONOMIC IMPACT	Payroll Supported through Forest Management Activities and Supply Chain	-	$596,500,000	-
	Sales and Manufacturing Driven Economic Activity	-	$1,777,000,000	-
	Jobs Supported through Forest Management Activities and Supply Chain	-	14,500+	-
	No. of Contracting Firms	199	168	31
SAFETY	No. of incidents - RMS employees	0	0	0
	No. of days lost to injuries, accidents, fatalities or illness - RMS employees	0	0	0
	No. of incidents - RMS Contractors	23	12	11
	No. of days lost to injuries, accidents, fatalities or illness - contractors	154	109	45
EDUCATION	Total scholarship $ disbursed 2022	-	$85,000	-
	Total scholarship $ disbursed to date	-	$355,000	-
	Total no. of Scholarship Recipients to Date	-	25	-
	The Craig Blair-RMS Forestry Scholarships disbursed 2022	-	$75,000	-
	The Craig Blair-RMS Forestry Scholarships disbursed date	-	$305,000	-
	No. of the Craig Blair-RMS Forestry Scholarship to date	-	22	-
	RMS Forester of the Future Program disbursed 2022	-	$-	-
	RMS Forester of the Future Program disbursed to date	-	$40,000	-
	No. of RMS Forester of the Future Program recipients to date	-	2	-
	RMS/SAF Scholarship disbursed 2022 / to date	-	$10,000	-
	No. of RMS/SAF Scholarship recipients to date	-	1	-

APPENDIX

SECTION	METRICS (AS OF 12/31/2022)	GLOBAL	U.S.	BRAZIL
GOVERNANCE				
DIVERSITY	Women as % of board	13%	-	-
	Women as % of executive management	9%	-	-
	Women as % of non-executive management	5%	-	-
	Women as % of professionals	33%	-	-
	Racial/ethnic groups as % of board	-	0%	-
	Racial/ethnic groups as % of executive management	-	0%	-
	Racial/ethnic groups as % of non-executive management	-	6%	-
	Racial/ethnic groups as % of professionals	-	9%	-
RESPONSIBLE BUSINESS	% of RMS employees with ownership stakes	19%	-	-
	Company equity held by employees	73%	-	-
	Turnover as % of full-time equivalents	12%	-	-
	Net new hires	4	-	-
	Compensation ratio	3.62	-	-



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Creating Forest Value Since 1950

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RMS is committed to robust governance structures that promote accountability, screening prospective and existing investments for ESG risks, managing forests with a focus on sustainability, and completing third-party verification of our ESG performance for all investments. We actively forge collaborative relationships with government agencies, research organizations, industry associations, and conservation organizations to manage ESG risks and create opportunities for increased sustainability. Our policies and procedures for evaluating sustainability risks are described in greater detail in RMS' PRI Transparency Reports and RMS Global Sustainability Report, both available publicly.

The result of RMS's sustainability assessment identifies the likely impacts of sustainability risks on the returns of the products we advise. Sustainability risks identified include: changes in foreign or U.S. policy could adversely affect operating results; forestry regulations restrict timber harvesting and may restrict RMS's ability to conduct its business; changes in government regulations and restrictions could adversely affect operating results; and losses of timber from the physical risks associated with climate change such as fire, insect infestation, changing weather patterns and storm frequency and intensity, and other causes beyond the control of RMS may affect operating results.