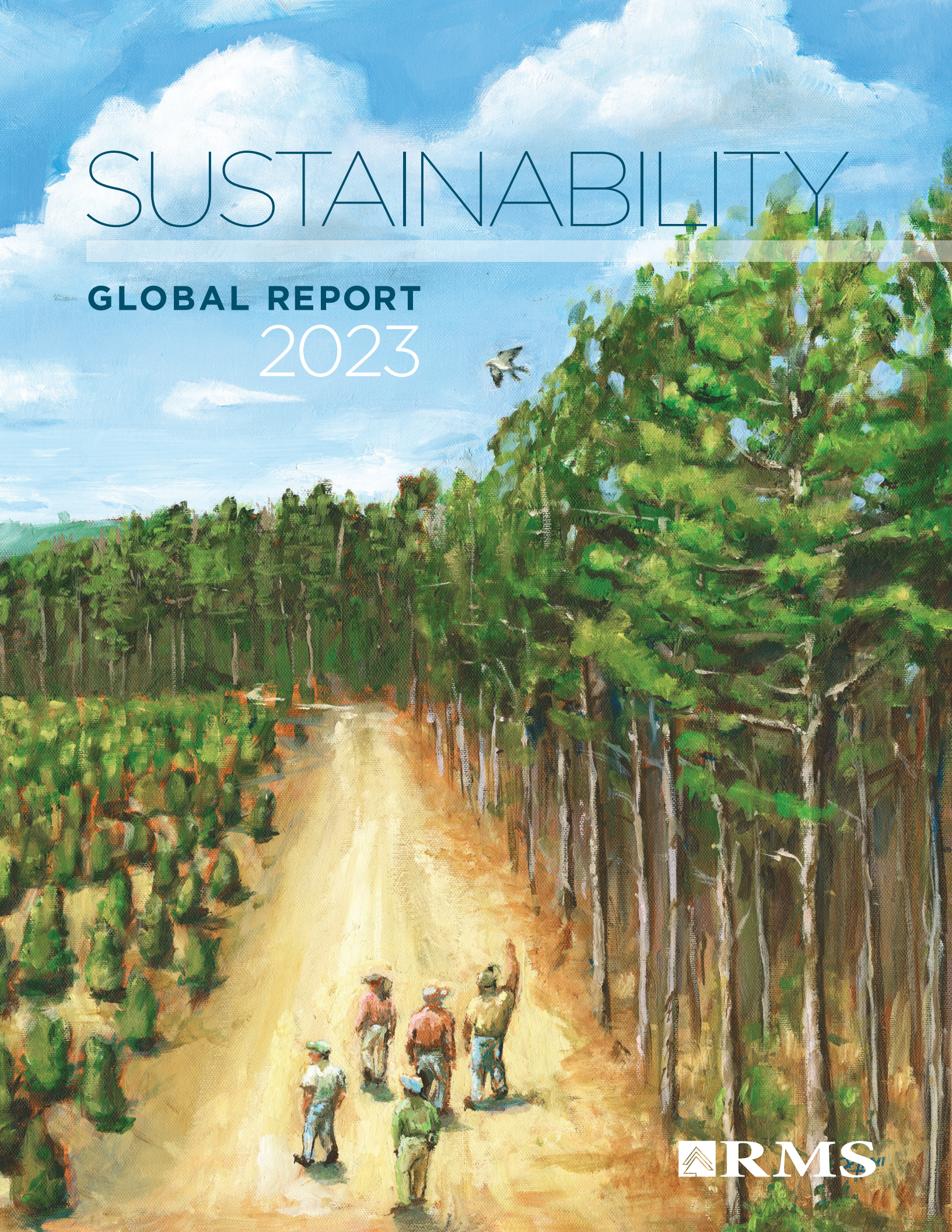
SUSTAINABILITY

GLOBAL REPORT 2023



RMS

INTRODUCTION

A property we manage in Central Alabama



ON THE COVER: A WALK IN THE WOODS

by Dyani Thompson

The front and back covers of this report were painted by Dyani Thompson, Resource Management Service (RMS) Investment Analyst. Based in Birmingham, Alabama, Dyani creates oil and live event paintings. Her cover paintings were inspired by a property we manage in Central Alabama, and illustrate a walk in an RMS-managed forest.

Everyone sees and experiences the forest through a unique lens. This diversity of perspectives is foundational to how we've created forest value since 1950 and how we approach our environmental, social, and governance (ESG) journey. Honoring these diverse viewpoints is key to our future success.

CONTENTS

OVERVIEW **2**

A note from Jimmy Bullock **4**

Our Roots 8

Our Sustainability Approach 12

Measuring What Matters 16

LAND **18**

How We Manage Forests 20

Conserving Life on Earth 24

Forest Carbon and Climate 32

GOVERNANCE **36**

Practicing Sound Governance 37

ESG Integration 40

Cybersecurity 41

Promoting Internal Accountability 41

PEOPLE **44**

Our People 45

Investing in Communication and Connections 46

Diversity, Equity, and Inclusion 50

Health, Safety, and Well-being 52

COMMUNITY **54**

Education 56

Leadership Development 57

Community Impact 59

Economic Impact and Advocacy 60

Closing remarks from Alex Hinson ... 62

APPENDIX **64**

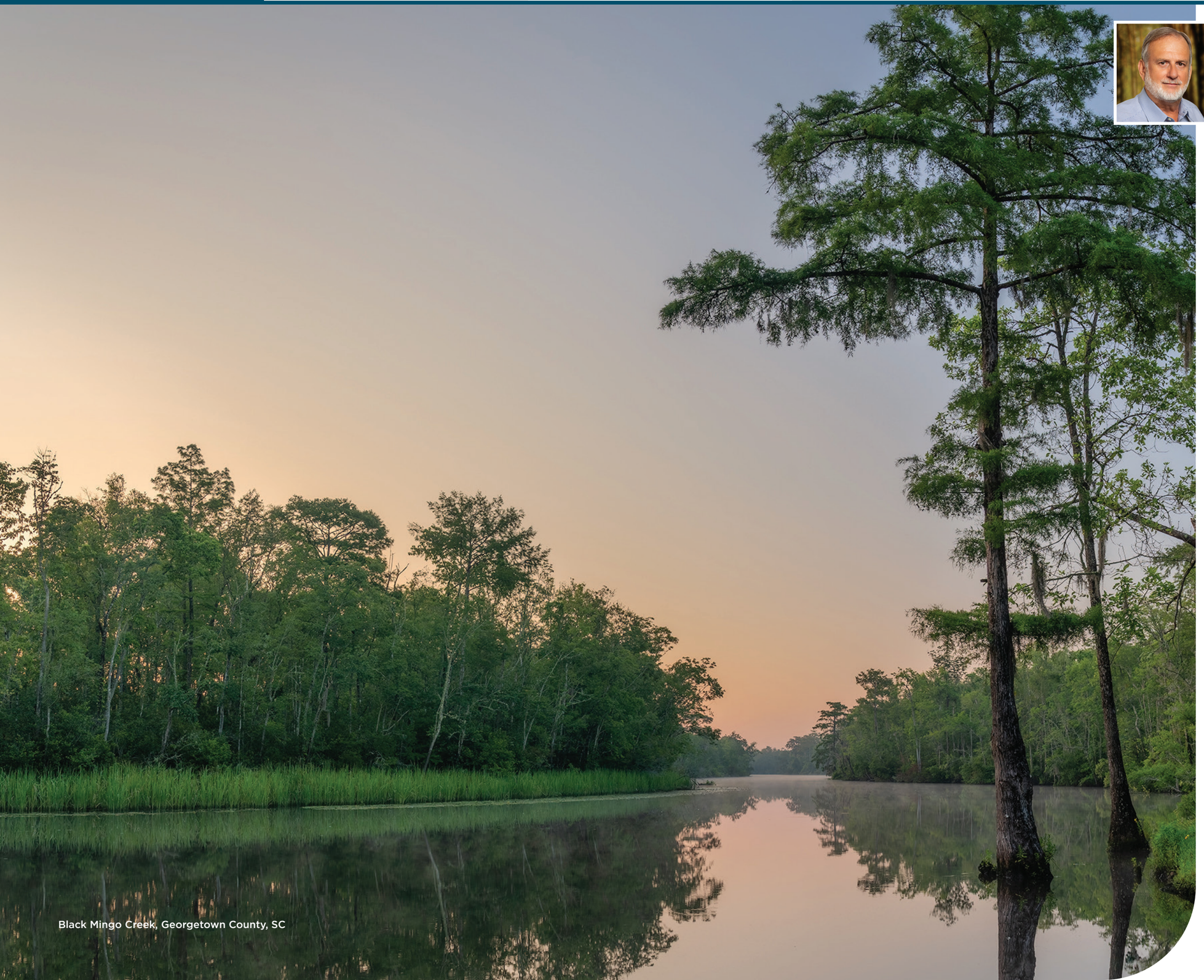
Glossary 64

TCFD Disclosures 66

SASB Disclosures 70

About This Report 74

Published on April 22, 2024



Black Mingo Creek, Georgetown County, SC

OPENING COMMENTS

Jimmy Bullock,
Senior Vice President, Forest Sustainability

"A WALK IN THE WOODS" is a simple concept yet one that holds the promise of learning, adventure, and mental or spiritual recharge. A walk in familiar woods is a time of reflection; a walk in uncharted woods is filled with excitement, wondering what lies ahead.

I've walked in the woods for many decades, and no two walks have been the same. I've looked at forests from the perspective of a child, an adult, a family forest landowner, a forester, a wildlife biologist, and an investment manager. The same forest looks vastly different when viewed through each of these lenses.

Recently, I attended a conference where the question was asked: "What is your defining memory of a forest?" Each person's response was unique, but the common thread was an impassioned love for forests.

At RMS, we strive to create a culture where every employee knows that they contribute to the value of forests, igniting a shared dedication to excellence. We strive for transparency, learn from our mistakes, and celebrate achievements. In this report, you'll see examples of both our shortcomings and our successes. As stewards of the forest, we must carefully choose the right way forward when we walk in the woods and come to a fork in the trail.

Forests transform with every management decision we make and implement. As such, every one of our management plans gives attention to environmental and social factors. These factors include safety, water quality, responsible chemical use, soil productivity, wildlife habitat and biological diversity, greenhouse gas (GHG) emissions, unique historical, cultural, and ecologic features, and impacts on neighbors and other relevant stakeholders. All these things are considered by the forester who is creating, supervising, and monitoring the management plan.



Our foresters on the ground benefit from the guidance of our Investment Management, Resource Planning, and Forest Sustainability teams. We continually improve all phases of management through better data quality, new research findings, and advances in technology. Tools and techniques that guide us in the woods today were unimaginable years ago, reminding us that our journey is ever evolving.

Today, more people than ever understand how sustainably managed forests can be nature-based solutions to many global challenges, from water and climate change to biodiversity loss and resource shortages. As we stride forward, we must harness this growing appreciation for the power of forests and incorporate the perspectives and experiences of our increasingly diverse RMS team.

Our journey in the woods is enhanced by the people we meet along the trail: friends, mentors, partners, colleagues, and new acquaintances.

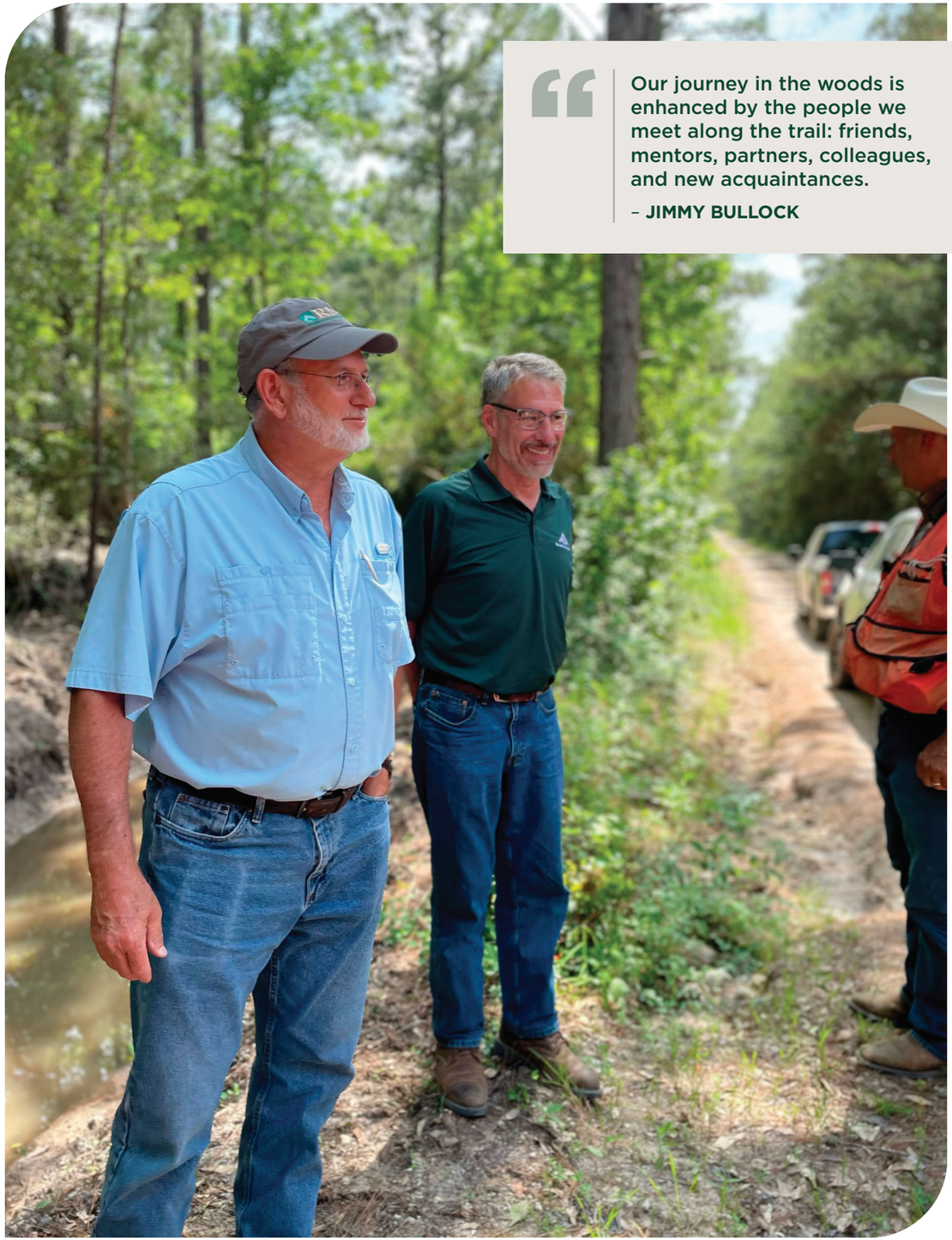
At RMS, each year brings new members to our team. I'm optimistic about this new generation, as they bring a strong passion for doing what is right for our clients, our communities, and the forest. They also have the tools and the talent to do a better job than at any time in the past. None of us can predict where tomorrow's path will lead, but I'm confident and excited that our clients' forests and our company's future are in capable hands.

Thank you for taking the time to read our 2023 Global Sustainability Report. We welcome your feedback and suggestions for improvement at jbullock@resourcemgt.com. May all your "walks in the woods" lead to new and enjoyable experiences.

Sincerely,



Jimmy Bullock



> Our journey in the woods is enhanced by the people we meet along the trail: friends, mentors, partners, colleagues, and new acquaintances.
>
> – **JIMMY BULLOCK**

OUR ROOTS

Moores Creek, Pender County, NC

70+ YEARS OF FORESTRY EXPERIENCE | CREATING FOREST VALUE SINCE 1950

RMS was founded in 1950 by John M. Bradley, a Yale School of Forestry graduate, and Harry E. Murphy, a graduate of Pennsylvania State University. It began as a consulting forestry firm for private landowners with a focus on forest products and the paper industry. With an unwavering commitment to adapt to changes and thrive in these industries, RMS strategically positioned itself as a prominent player in timberland management and acquisitions.

In the mid-1980s, RMS participated in pioneering a new business model for institutional investment in timber as an asset class. Since then, we've continued to evolve, honing state-of-the-art systems and technologies essential for successful timberland management. Today, RMS stands as a well-established timberland investment firm.

Despite our firm's growth, we proudly maintain our status as a private, employee-owned entity. This status underscores our commitment to sustainable land management and responsible investment practices and aligns with our core values of accountability, honesty, openness, fairness, and entrepreneurship.

VISION

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

MISSION

RMS' mission is to be recognized as the premier creator of forest value.

WHERE WE WORK



HEADQUARTERS:
BIRMINGHAM, AL

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 (974,792 hectares)* of forestland across the southern United States and Brazil.

FIELD OFFICES:

ARKANSAS
Sheridan

TEXAS
Diboll

LOUISIANA
Jena

MISSISSIPPI
Flowood

FLORIDA
Pace

ALABAMA
Prattville
Opelika
Greenville
Bay Minette

SOUTH CAROLINA
Georgetown

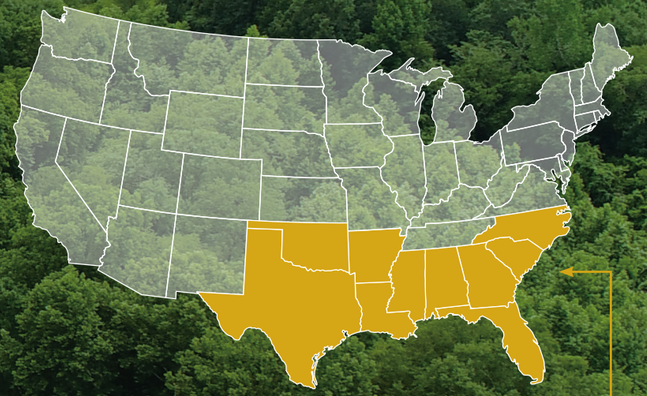
NORTH CAROLINA
Wilmington

BRAZIL
Joinville



BRAZIL
110,332
ACRES
(44,650 HECTARES)





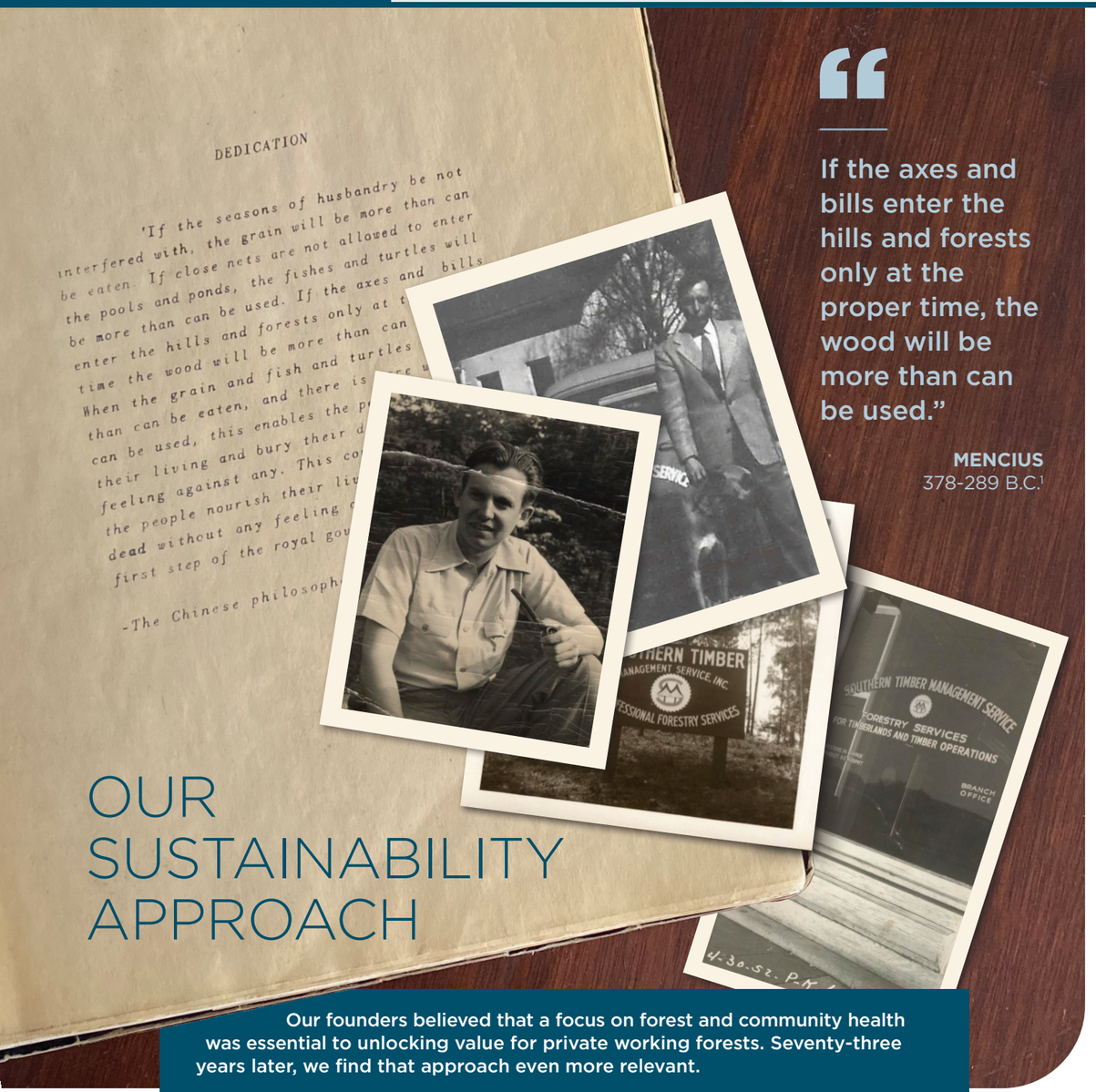
SOUTHERN U.S.
2.3 Million
ACRES
(930,142 HECTARES)

*These figures are inclusive of investment management and property management services

RMS-MANAGED GLOBAL FORESTLAND

AS OF DECEMBER 31, 2023

RMS continues to be one of the world's largest managers of investment-grade forests for institutional and high-net-worth investors.



OUR SUSTAINABILITY APPROACH

> If the axes and bills enter the hills and forests only at the proper time, the wood will be more than can be used."
>
> **MENCIUS**
> 378-289 B.C.[1]

Our founders believed that a focus on forest and community health was essential to unlocking value for private working forests. Seventy-three years later, we find that approach even more relevant.

Our sustainability strategy is rooted in the belief that the land we manage is not just a financial asset but a vital and interconnected part of an increasingly unpredictable world. We manage forests to ensure their long-term health and ecological resilience, positively impact local communities, and generate strong financial returns for our clients.

[1] Mencius was a Chinese philosopher and cultural commentator, most notable for his belief that "human nature is good." Like Mencius, our founders adopted a philosophy and created a corporate environment that stressed the importance of ethical cultivation, both socially and environmentally. This quote was included in a management plan written by John Bradley for a client in the early 1950s and marks the importance one of our founders placed on management of forest resources in a sustainable manner. This commitment to sustainability continues to mark our management philosophy today.

OUR SUSTAINABILITY PRINCIPLES

LONG-TERM VISION

Our commitment to sustainability extends beyond quarterly financial results. We recognize that we must maintain the health of our environment and the well-being of our communities so that future generations may thrive. We invest in environmentally sound and socially conscious practices and initiatives today so the forests we manage will benefit future generations.

SOUND GOVERNANCE

Honesty, openness, transparency, and accountability are core values, and we adhere to the highest standards of ethical governance. By exceeding regulatory requirements and sharing information openly and freely with our clients, employees, partners, and the public, we maintain the trust of our stakeholders.

ECOSYSTEM HEALTH & OPERATIONS

The well-being of the ecosystems we manage is essential to meeting our investors' economic, environmental, and social objectives. Our practices are guided by sustainable forestry standards; we aim to leave the land and resources that we manage healthier and more diverse than when we found them.

EMPLOYEE & COMMUNITY WELL-BEING

We acknowledge our responsibility to our employees and contractors who manage the land on behalf of our clients and the communities that depend on it. We engage in open and respectful dialogue with local stakeholders, seeking their input, addressing their concerns, and contributing to their economic and social well-being. We respect the rights and knowledge of Indigenous Peoples and local communities that share the land we steward.

2023 HIGHLIGHTS

CONTRIBUTIONS TO THE U.N. SUSTAINABLE DEVELOPMENT GOALS

OUR BUSINESS & INVESTMENTS

- 73 Years in Business
- $5.1 B in Assets Under Management
- 161 Employees
- 2.4 M Acres Under Management
- ★★★★ PRI Grade
- 77% Employee Held

PEOPLE

- 9% Women in Field Operations
- 29% Women Companywide
- 5% BIPOC Representation[2] in U.S. Field Operations
- 8% BIPOC Representation in U.S. Teams
- 18% RMS Employees with Ownership Stake

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

LAND

- 100% Forestland under Third-party Sustainable Certification
- 57 Species of Conservation Concern in Managed Forests
- 20% Forestland in Conservation Areas[3]
- 2.1 M MTCO2e Removed by U.S. Forests
- 204.5 M MTCO2e Stored in Global Forests[4]

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

14 LIFE BELOW WATER

13 CLIMATE ACTION

COMMUNITY

- 1,170+ Hours Volunteered by Employees
- $70 K Scholarship Funds Disbursed
- 13,500+ Jobs* Supported in the U.S.[5]

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

ALL METRICS ARE AS OF DECEMBER 31, 2023

[2] BIPOC includes Black, Indigenous, and people of color. Racial/ethnic statistics are available for the U.S. only.

[3] Conservation areas include all RMS special sites (e.g., high-conservation value, forests with exceptional conservation value, conservation easements, cultural sites), streamside management zones (SMZs), legal reserves, and areas of permanent preservation (APP) globally.

[4] Carbon dioxide equivalent (CO2e) for RMS properties under management in the U.S. and Brazil include tree biomass, both aboveground 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.

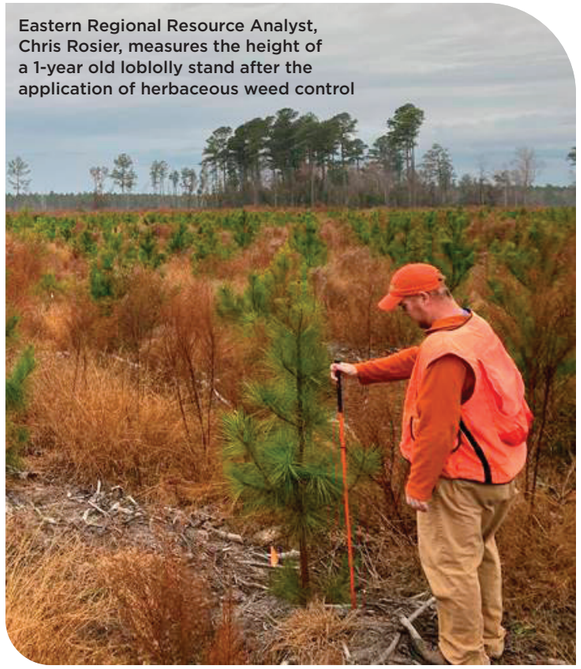
[5] Economic data is provided by the National Alliance of Forest Owners (NAFO).

MEASURING WHAT MATTERS

MATERIALITY ASSESSMENTS are a vital component of our sustainability strategy.

They provide a structured framework for us to identify and prioritize the ESG issues that matter most to our stakeholders and have the most significant impact on our business success.

In 2023, we conducted our second materiality assessment in partnership with qb. Consulting (qb.), a small, women-owned ESG firm. To complete the assessment, we followed a four-step process that included internal documentation review and external research, internal and external stakeholder interviews, development of our materiality framework, and prioritization of material topics. Together, we identified 20 material ESG topics, as visualized in the matrix below.



Eastern Regional Resource Analyst, Chris Rosier, measures the height of a 1-year old loblolly stand after the application of herbaceous weed control



IN 2023, WE ADDRESSED OUR MOST MATERIAL TOPICS IN THE FOLLOWING WAYS:

INVESTOR ALIGNMENT	■ Developed fund-specific strategies and disclosures ■ Engaged formally and informally with investors
WILDLIFE AND BIODIVERSITY CONSERVATION	■ Signed first-of-its-kind agreement with the U.S. Fish and Wildlife Service (USFWS) to reintroduce the endangered reticulated flatwoods salamander ■ Completed biodiversity assessment on the Comfloresta property (Brazil) and began the biodiversity inventory and baseline data collection in the U.S.
CLIMATE CHANGE MITIGATION	■ Continued to enhance RMS' carbon strategy by assessing the potential to generate high-quality carbon credits ■ Continued engagement in the development of Greenhouse Gas Protocol Land Sector and Removals guidance
DIVERSITY, EQUITY, AND INCLUSION (DEI)	■ Created the RMS Mentorship Program ■ Began DEI Implementation Team meetings and roadmap
TRANSPARENCY, REPORTING, AND DISCLOSURES	■ Created our first Taskforce for Climate-related Financial Disclosures (TCFD) aligned disclosures ■ Updated the RMS ESG policy and developed and implemented new policies that address anti-money laundering, modern day slavery, and whistleblower elements





Imbuia property, Brazil

HOW WE MANAGE FORESTS

We align our sustainable forest management strategies to the United Nations Sustainable Development Goals (UN SDGs) by creating renewable wood-based products and supporting the resilience of forest-dependent communities and local economies. The positive impact of our strategies extends beyond the forests themselves, generating outcomes that are beneficial for the planet and valuable to societies in which we operate. This helps contribute to competitive investment performance.



“When walking in the woods, I think of how borders and fences are meaningless to nature. I always see how we affect and are affected by everyone and everything around us in all our actions and inactions. This increases the sense of collective responsibility that I try to incorporate in everything that I do at RMS.”

JOSE FERREIRA
RMS Resource Planning and Technology Manager
Brazil



LAND



OPTIMIZING FOREST MANAGEMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

WE EMBRACE AND LEVERAGE NEW TECHNOLOGIES that ensure we're continuing to manage forests and our data responsibly. From the use of geographic information system (GIS) apps on mobile devices in the field to remote sensing that supports building accurate forest inventories, we invest in optimizing forest management practices.

2023 FOREST MANAGEMENT ACTIVITIES

	U.S.	BRAZIL
Area of Certified Forestland	2,298,428 acres	44,650 hectares
Sustainable Forestry Initiative® (SFI) Certified	2,110,986 acres	—
Forest Stewardship Council™ (FSC™) Certified	1,103,786 acres	44,650 hectares
Dual (SFI, FSC) Certified	916,343 acres	—
Timber Harvest Volume	9,389,123 short tons	281,026 metric tons
Final Harvest	64,745 acres	1,565 hectares
Intermediate Harvest	74,759 acres	327 hectares
Area Reforested[6]	66,984 acres	708 hectares
Trees Planted	33,242,000	941,160

SUSTAINABLE FORESTRY INITIATIVE
SFI-00029

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

[6] Includes afforestation

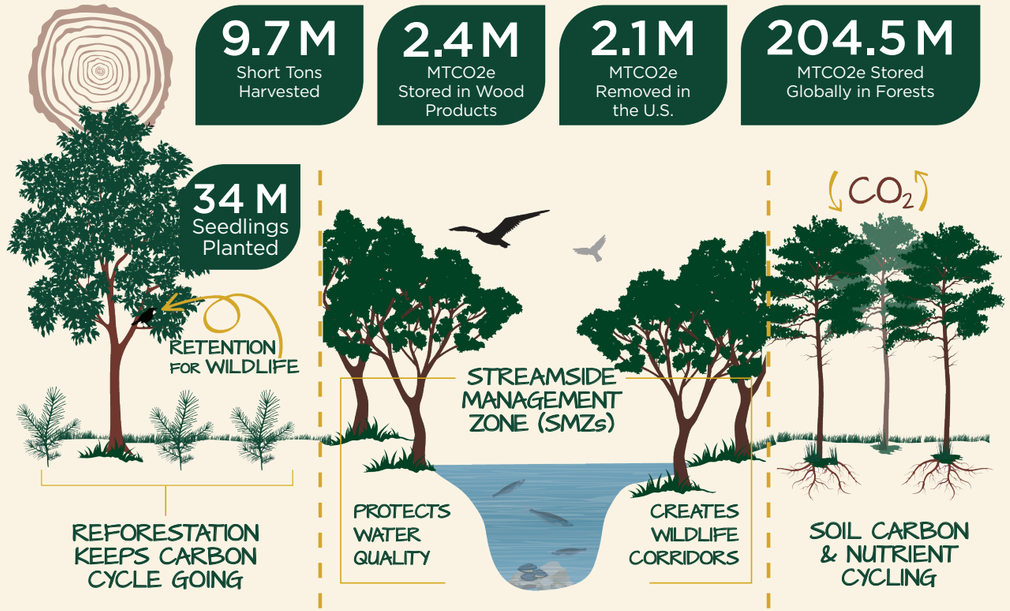
100% Forestland Certified

9.7 M Short Tons Harvested

2.4 M MTCO2e Stored in Wood Products

2.1 M MTCO2e Removed in the U.S.

204.5 M MTCO2e Stored Globally in Forests



57 Species of Conservation Concern Managed

416,000 Acres of SMZs

14,800 Stream Miles Protected

3,333 Soil Series

Providing clean water by protecting stream and riparian areas from siltation, erosion, and pollution

Complying with laws, regulations, RMS policies and procedures, and client requirements

Leveraging research and technology at the timber stand and landscape levels

Respecting human rights, including the legal and customary rights of Indigenous Peoples

Integrating environmental considerations into all forest management plans

Protecting unique areas with ecological, geological, cultural, or historical attributes

Applying chemicals with caution and limiting their use to the lowest effective rates to achieve forest management objectives

Maintaining healthy and productive forests to meet clients' financial and ESG objectives

USE OF FOREST CHEMICALS

CAREFUL APPLICATION OF FOREST CHEMICALS helps us protect soil and water resources while increasing site productivity, carbon sequestration, and overall economic, environmental, and social value. Forest chemicals are essential to many forest management objectives, including tree establishment, future productivity, and the control of invasive pests and vegetative species.

At RMS, all fertilizer, pesticide, and herbicide application plans are prepared by our foresters, who have completed rigorous chemical-use training. The chemicals are applied by licensed contractors who have completed appropriate pesticide application training and follow state Best Management Practices (BMPs). All chemicals are applied in accordance with RMS policies, label requirements, and, where applicable, local laws to achieve our management objectives.

Post-chemical application monitoring is essential for ensuring that any fertilizer and herbicide use contributes to our forest management goals without creating unwanted impacts. In 2023, RMS U.S. foresters conducted post-application inspections on 338 sites covering approximately 28,578 acres. Of these inspected applications, 96% were found to fully comply with RMS' chemical-use policy and the chemical application plans our foresters created. Fourteen incidences were found to be out of compliance. For incidences that were found to be out of compliance, the following corrective actions were taken to address the root causes:

- **Leveraged pre-application meetings to bring incidents to contractors' attention and set expectations on mitigating measures to limit issues from recurring**
- **Affirmed that repeated violations by individual contractors will lead to termination of current contracts or exclusion from future contract bids**



Two-year old loblolly stand after application of herbaceous weed control

338
Sites

28,578
Acres

96%
Inspection Sites in Compliance

14
Instances of Non-Compliance



PROTECTING WATER QUALITY & QUANTITY

WATER IS FUNDAMENTAL TO LIFE, and forests play a critical role in protecting both water quality and quantity. The impacts of climate change, alternative land uses, and urbanization bring water security to the top of mind for many communities, businesses, policymakers, and regulators.

Our foresters are stewards of watersheds that provide clean water for the numerous communities near or downstream from the forests they manage. We ensure protection of these watersheds and riparian areas by meeting or exceeding state BMPs for water quality.

With increased variation in rainfall patterns, forests act as a buffer by storing and releasing water during drought and managing stormwater flow. This protects communities from the worst effects of extreme weather events and ensures a sustained supply of clean water.

Sustainable forest management is vital to ensuring rural and urban communities have access to clean and plentiful water resources, but water resource protection is also important for many wildlife species that we manage. For example, Alabama, where 30% of our U.S. assets are located, boasts one of the highest diversities of freshwater aquatic species in the world[7]. Many of these species, including freshwater mussels and crayfish, are very sensitive to extreme precipitation, temperature changes, and pollution. As a result, maintaining and enhancing the forest-water relationship is an important priority for RMS and forms a vital part of our holistic management practices.

2023 WATER IMPACT	U.S.	BRAZIL
Area in Streamside Management Zones or Areas of Permanent Preservation	407,351 acres	3,533 hectares
Streams Within RMS-Managed Footprint	14,190 miles	925 kilometers
Length of Edge Habitat with SMZs or Protected Natural Areas	29,370 miles	3,420 kilometers
Area Enrolled in Wetland Mitigation Banks or Payment for Ecosystem Services Program	611 acres	409 hectares

[7] NatureServe States of the Union: Ranking America's Biodiversity, 2002

CONSERVING LIFE ON EARTH

BIODIVERSITY UNDERPINS LIFE ON EARTH, yet global wildlife populations have declined by an estimated 69% since 1970[8]. To reverse this trend in biodiversity loss, we need to advance conservation efforts, prioritize sustainable production, and adopt sustainable consumption patterns. Managed forests play a significant role in addressing these solutions.





ABOVE: Red Hills Salamander on RMS-managed Red Hills salamander habitat

RIGHT: Santa Rosa County Wildlife Conservation Initiative (WCI) tour participants

BOTTOM: Jimmy Bullock educating WCI tour participants on the importance of collaborative conservation for at-risk species

Globally, RMS works to conserve biodiversity on our clients' lands by:

- Integrating biodiversity considerations and conservation efforts into our management plans
- Implementing targeted sustainable practices by investing time and resources into biodiversity data collection
- Exploring other opportunities (e.g., species reintroductions) to increase the biodiversity within our managed forests



2023 CONSERVATION MANAGEMENT ACTIVITIES	U.S. (ACRES)	BRAZIL (HECTARES)
Area of Forestland with Protected Conservation Status	18,651	25,274
Forestland Under Conservation Easement	11,680	—
Forestland in Threatened or Endangered Species Habitat	6,205	6,832
Special Sites (including High-Conservation Value Areas)	16,460	2,053
Species of Conservation Concern on Managed Forestland[9]	26	31



[8] World Wildlife Fund Living Planet Report, 2022

[9] In the United States, species of conservation concern include NatureServe G1-G3 species, S1, S2, and S3 species that are candidates for listing. In Brazil, this includes vulnerable, endangered, and critically endangered species as recognized by the official list of nationally endangered species from the Brazil Ministry of the Environment and Climate Change (MMA). Globally, this metric only includes species that have been indentified on RMS-managed lands.

CASE STUDY: CO-CREATING CONSERVATION SOLUTIONS IN THE SOUTHEASTERN UNITED STATES

Conservation work in the southeastern U.S. is not just about conserving and restoring one of the most biodiverse places on Earth. It's also about transforming culture to better address the existential threat of species endangerment and extinction.

This region's vast biodiversity—with more than 490 fish species, 270 mussel varieties, and a rich array of insects, amphibians, reptiles, mammals, and birds—forms the foundation of a natural system that sustains human and non-human communities.

The basis of our conservation work is recognition that economic, environmental, and social needs are not mutually exclusive outcomes. For too long, active forest management in the southern United States was viewed as a threat to biodiversity. We've helped shift this perspective by demonstrating that forest management and conservation are not only compatible but mutually reinforcing.

While we can't provide habitat conditions for every species, the landscapes we manage include young forests, open canopy forests, and aquatic and riparian forests that are vital to the survival of numerous species, some of which need immediate conservation attention.



TOP (Right): RMS SVP, Business Development, Steven King speaking about U.S. south working forests as nature-based solutions at the Centre for Institutional Investors conference in Melbourne, Australia

BOTTOM (Right): Eastern Diamondback Rattlesnake

What goes into our conservation approach, and how is it different?

HISTORICAL CONSERVATION APPROACH	MODERN CONSERVATION APPROACH[10]
Conservation is conducted in discrete areas (e.g., timber production zones, conservation zones).	**Integrated conservation** (e.g., stand level retention, hardwood restoration, landscape considerations) is part of forest management plans.
NGOs, government agencies, and private landowners are typically adversaries.	**Trust-based partnerships** are formed with NGOs and government agencies to inventory and understand the role of our forests in creating conservation outcomes.
At-risk, threatened, and endangered species are often viewed as liabilities for private landowners.	We **advocate** for proactive conservation efforts to help conserve species before they are listed as at-risk, threatened, or endangered, and help recover populations to the point where they can be delisted.
The U.S. Endangered Species Act (ESA) is viewed as a backstop to save species at the brink and is hostile to private landowners.	RMS **leadership** advocates the ESA can be a flexible tool that embraces meaningful collaborative conservation of species before they are at the brink.
Outcomes: Interconnected lands and waters yet siloed stakeholders working toward different goals, with limited conservation benefits and varying degrees of animosity	**Outcomes:** Interconnected lands, water, and stakeholders working toward shared goals to maximize conservation benefits and minimize regulatory risk

While we have been committed to a proactive and collective management approach for many years, 2023 was a defining year for collaborative conservation on lands under RMS management. We're proud to share some of our success stories.

1 We used technology and improved data to better integrate conservation into forest management plans.

It was a seminal year for establishing a biodiversity baseline across the forests we manage.

We're proud to be a founding member of the Wildlife Conservation Initiative (WCI), which is a voluntary, collaborative partnership between the National Alliance of Forest Owners (NAFO), the U.S. Fish and Wildlife Service (USFWS), the Association of Fish and Wildlife Agencies (AFWA), and the National Council for Air and Stream Improvement, Inc. (NCASI). We're also a founding member of Conservation Without Conflict. Both initiatives champion voluntary and collaborative approaches to the conservation of species on working lands.

We also participated in the WCI Biodiversity in the Southeast research project, which is the largest research project on private lands in U.S. history. Data from Tangled Bank Conservation (TBC), lead investigator for WCI research, identified more than 170 individual species, including eight species identified as in need of conservation attention, across the RMS management footprint. After reviewing this data, we contracted with TBC for a series of herpetofauna and aquatic species surveys using environmental DNA (eDNA) and camera traps across our managed footprint in 2023 and 2024.

[10] Challenges in collaboration and policy that have contributed to our current ecological crises are historically more unique to non-Indigenous cultures. While we say our proactive and collaborative conservation approach is "modern," we acknowledge Indigenous Peoples have been practicing collaborative approaches rooted in reciprocity and harmony for thousands of years yet are disproportionately impacted by the biodiversity and climate crises.

To understand the diversity of bird species across this same region, we're collaborating with the American Bird Conservancy (ABC) to use point count information collected by the nonprofit and our summer interns. Based on this new data, we see many conservation opportunities for a variety of species and are working to better integrate these findings into our future management plans.

2 Public-private, trust-based partnerships were codified.

In January 2023, NAFO, USFWS, and NCASI signed a significant memorandum of understanding (MOU) to officially establish the WCI as a programmatic partnership focus. The partnership was announced by President Biden at the White House Conservation in Action Summit in March 2023.

This MOU promotes cooperation and collaboration, creates agency-wide consistency in implementation, and encourages voluntary and proactive collaborative conservation efforts aimed at benefiting various common, at-risk, and listed species before regulatory action is needed. As a founding member of NAFO, RMS is proud to continue collaborating with our partners in demonstrating the importance of managed forests in the conservation of forest-dependent wildlife species. You can read more about this MOU **HERE.**

3 The biodiversity benefits of private working forests were seen and heard.

On August 3, 2023, Assistant Secretary of the Interior for Wildlife, Fish and Parks Shannon Estenoz (pictured right) joined NAFO, NCASI, leaders from the Association of Fish and Wildlife Agencies, the USFWS, the U.S. Department of Defense (DoD), and several environmental non-governmental organizations for a tour of an RMS-managed forest in Florida. The field tour focused on the conservation benefits of active forest management and how the voluntary, collaborative approach of the WCI is leading innovation and better outcomes for species conservation.



Attendees learned about the WCI Biodiversity in the Southeast research project, which uses a landscape-level approach to determine the region's species composition and abundance. The tour included site visits of gopher tortoise burrows and highlighted examples of SMZs, a longleaf pine restoration project, the importance of forest thinning to many wildlife species, and the location of the reintroduced reticulated flatwoods salamander (*Ambystoma bishopi*), a federally listed endangered species.



Reticulated flatwoods salamander pond in Santa Rosa County, Florida



4 We helped create a new and innovative conservation tool.

In 2023, we saw the celebration of the 50th anniversary of the the U.S. Endangered Species Act (ESA) While the history of this law is complicated, we believe its future is bright.

We hope the ESA's next 50 years will continue to embrace the Conservation without Conflict approach. This approach has transformed the ESA from a last-resort measure to a flexible tool that enables collaboration conservation, which proactively prevents species from being listed.

In 2023, we helped make that future a reality. Alex Hinson, RMS President and CEO, signed the groundbreaking Partners for Fish and Wildlife Agreement with the USFWS. This agreement facilitates a "no regulatory risk" reintroduction of the federally listed reticulated flatwoods salamander to a historic salamander pond located on RMS-managed land in Santa Rosa County, Florida. The pond is covered by a conservation easement that ensures management actions, including the use of prescribed fire, to help the salamander thrive. The reintroduction will impose no regulatory risk to either the landowner or our neighbors.

This historic agreement will serve as the template for future reintroductions of at-risk and listed species on private lands across the United States. It also demonstrates two important points:

1. The trust-based partnership between the USFWS and private landowners leads to more conservation efforts on private forestlands today than at any previous point in the 21st century.
2. RMS believes the ESA offers greater flexibility for species conservation than many people realize.



The conservation work in the southeastern United States is a beacon of hope and a model for global conservation efforts. It shows that collaborative, proactive, and innovative approaches can lead to significant strides in safeguarding our planet's biodiversity. This work goes beyond protecting individual species; it's about creating community around solutions built on trust. It's also a commitment to future generations, ensuring that the places we enjoy today will continue to captivate and support the lives of those who come after us.



CASE STUDY: EXPLORING BIODIVERSITY, TECHNOLOGY, & COLLABORATION IN THE SOUTHEAST

A Conversation with JJ Apodaca, PhD | Executive Director of the Amphibian & Reptile Conservancy and Founder of Tangled Bank Conservation

From a conservation perspective, why is the U.S. Southeast so important?

The Southeast is a biodiversity hotspot for many animals, including turtles, salamanders, freshwater fish, snails, and mussels. It's also one of the few places in the world where timber production and that level of biodiversity intersect.

The Southeast is a cutting-edge place to do conservation because forestry practices have replaced the dominant tree type—the longleaf pine—but many landowners and organizations are actively working on addressing that problem with large-scale restoration.

The other thing that makes the Southeast a unique conservation opportunity is that there is so much biodiversity yet very little public land. Thus, it's vital for conservationists and private landowners to work together and find solutions to increase and conserve biodiversity.

How do you measure biodiversity and understand if conservation practices are working?

Biodiversity is a part of society and culture and is valuable to us on every level, from mental health to economic impact. One of the main challenges in conservation is that we don't know where most species are in the world. To try to overcome this challenge, one of the things I've focused on in my career is developing and combining different technologies to give us a better picture of what's on the ground.

One of these technologies is environmental DNA (eDNA), which gives amazing insight into what's in the water and even in the air. We are also combining machine learning and artificial intelligence (AI) with camera traps, aquatic cameras, and acoustic monitors to identify species and communities more rapidly. The more creative we get, the more we're able to assess biodiversity on a larger scale. That's key to saving these species, since you can't save what you don't know is there.

You're the lead investigator on the WCI Biodiversity in the Southeast research project RMS is a part of. What have you found so far?

The WCI research in south Alabama and the Florida panhandle is groundbreaking because it involves several timber companies coming together with the USFWS and other conservation partners to assess the entire ecosystem and the species that depend on it. So far, the findings are dispelling the idea that private timberlands are industrial waste zones of no biodiversity. They're providing incredibly important habitat for thousands of species.

One of the biggest things from the WCI research is the amount of biodiversity we've been able to document. We've found several species people never would have thought were on timberlands and dense populations of species that have either been petitioned or listed at some level. **Forest certification programs have been pushing landowners to manage in a better way for some time now, and we're seeing healthy stream corridors, endangered species habitat, and restoration sites across the landscape.**

How can private landowners effectively collaborate with scientists and other partners to maximize their impact on biodiversity conservation?

Effective policies can serve as a catalyst, creating a better balance between financial constraints and conservation needs. The work that organizations like RMS are doing now to remove the regulatory burden and risk for private landowners is instrumental for species conservation.

Of course, if we remove the regulatory burden only to replace it with a financial one, we're stuck in the same place. To make a positive impact on the ground, we need people to monitor and recover biodiversity effectively, and this needs to be economically feasible.

Traditionally, this work has largely taken place within academia, which has limited its impact. We need more organizations that are focused on this work and can conduct research and train the next generation. We need an economic model to support this. One of the challenges is establishing a system that supports conservation partnerships at three levels: the private landowner, the training/education system, and the conservation implementation industry.

What gets you excited about the future of conservation?

Three things get me really excited. First, biodiversity credits could be a game changer, as they're making conserving biodiversity economically advantageous. I'm also excited about new technology and approaches, because we're getting more efficient at monitoring and identifying species on large scales. Lastly, I'm excited about better integrating biodiversity conservation and social needs.

We have the chance to think deeper about who biodiversity is serving and why we're working to conserve it. We can move beyond the old model of fencing off an area to keep people out. It's about shifting the viewpoint of conservation to be for people rather than protecting it from people. A big part of this shift is to increase diversity of all kinds in conservation, which includes political and economic viewpoints.

Biodiversity conservation has a positive impact on everyone and should be a unifying topic rather than a dividing one. I'm very excited that we're seeing more women, people of color, and Indigenous Peoples in science, conservation, and management. I'm also happy to see more private landowners, industries, and programs to support them, such as Natural Resources Conservation Service's Working Lands for Wildlife, the WCI, and Conservation without Conflict. Continuing to increase the diversity in the conservation community is vital for lasting success.

FOREST CARBON & CLIMATE

WHILE 2023 SAW SOME PROGRESS in the fight against climate change, such as increased generation of clean energy and electrification and reduced deforestation in the Amazon, it was also the hottest year ever recorded[11]. The increased recognition of the role that biodiversity loss plays in the climate crisis gives us hope, and forests remain one of the most effective natural carbon removal solutions that safeguards biodiversity.



CLIMATE RISKS AND OPPORTUNITIES

As we continue to understand the impact of climate change on our business and operations, we've been identifying ways to improve sustainability practices across RMS. One way was conducting an assessment per recommendations from the Taskforce for Climate-related Financial Disclosures (TCFD).

Working with a third-party consultant, we conducted a thorough document and policy review, led internal stakeholder interviews, and started an initiative to research climate risks and opportunities. We also continued to leverage NCASI's Climate Projection Analysis Tool (CPAT) and were able to examine the potential physical risks to the forests we manage. Our review found that these forests are well within the range of favorable precipitation and temperature combinations under most reasonable scenarios, and their resiliency could be enhanced by active management. In 2024, we'll have a climate risk assessment to help us better understand the financial materiality of our climate risks and opportunities.

Along with creating TCFD-aligned disclosures, we found this process to be a great opportunity to enhance our governance of climate risk. In 2024, we'll work to formalize our climate scenario analysis and modeling processes to provide more quantitative information to the material climate risks and opportunities identified.

Our **TCFD DISCLOSURES** can be found in the appendix of this report.

FOREST CARBON

Forests provide climate mitigation benefits in three primary ways:

1. **SEQUESTRATION** — Taking carbon out of the atmosphere and transferring it to forest carbon pools
2. **STORAGE** — Capturing sequestered carbon in the forest and in harvested wood products
3. **SUBSTITUTION** — Using low-carbon-intensive forest products instead of high-carbon-intensive products like concrete, steel, and plastic

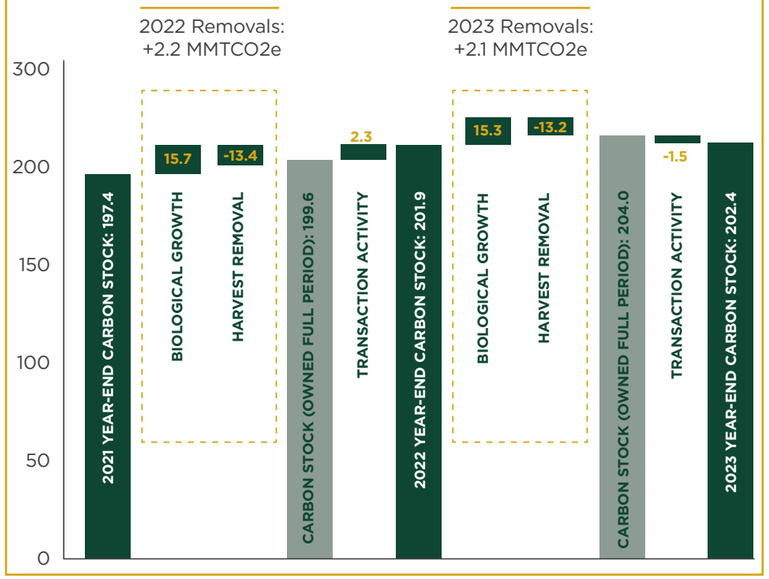
[11] National Oceanic and Atmospheric Administration, Jan. 12, 2024

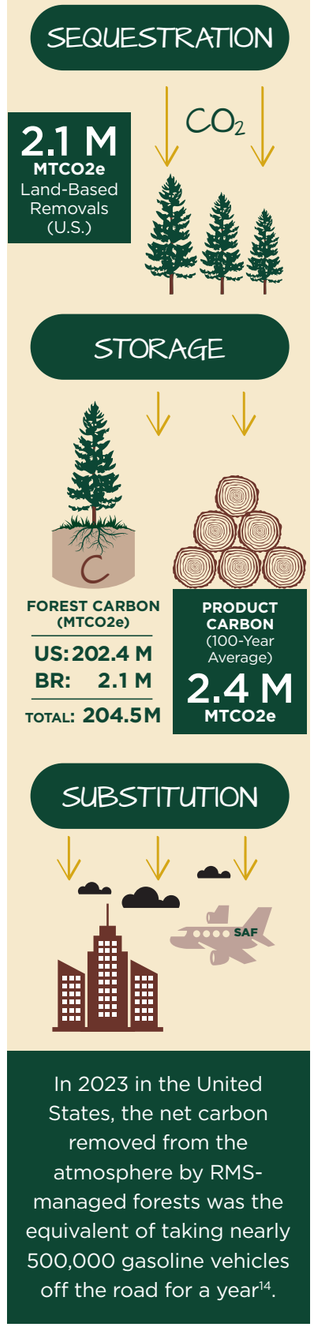
At RMS, we use our advocacy and partnerships to promote the climate benefits of working forests. Our management practices address sequestration and storage, and we report on these practices annually.

We account for land-based carbon removal, or net sequestration, on timberlands we manage by analyzing the difference between biomass growth and harvest along with other forest inventory measurements that determine timber volume and value on land that was under our management for the full year.

Carbon is locked up in long-lived wood products, such as construction lumber and plywood produced from harvested timber. We calculate the average amount of carbon remaining in harvested wood products after 100 years as a product-based removal. The standing forest carbon stock reflects the carbon stored in the aboveground and belowground biomass of timber. Inventorying standing forest carbon stock helps us monitor the long-term stability of these carbon pools.

CARBON STORAGE AND REMOVALS IN RMS-MANAGED U.S. FORESTS (MMTCO2E)[12]





In 2023 in the United States, the net carbon removed from the atmosphere by RMS-managed forests was the equivalent of taking nearly 500,000 gasoline vehicles off the road for a year[14].

[12] CO2e for RMS properties under management in the United States include tree biomass, both above ground and belowground. This measure does not include non-tree biomass within the forest, including soil carbon. We're working on developing methodologies to estimate carbon removals for our Brazil AUM. Harvest removals also include inventory updates from cruises and reclassification of land status in the footprint owned for a full period. Transaction activity includes tons from land sales, acquistions, and other inventory updates that occurred on land owned or sold for a portion of the year. Totals in the chart are subject to rounding.

[13] Conversions provided by the EPA Greenhouse Gas Equivalencies Calculator.



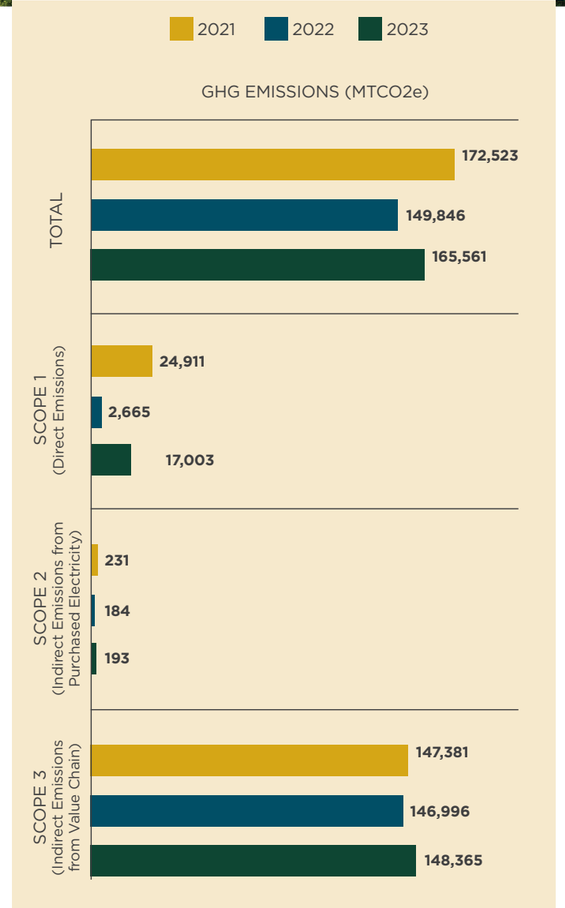
GREENHOUSE GAS EMISSIONS

While forest management emissions are small relative to annual sequestration and storage[14], every ton of carbon and every tenth of a degree of average temperature change matters in global efforts to mitigate climate change.

We account for our corporate emissions and emissions associated with our timberland AUM in alignment with the Greenhouse Gas Protocol (GHGP) Corporate Standard, which is 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 with ambitions to decarbonize. We look forward to continuing to improve our inventory, as we currently do not account for emissions beyond the mill gate or emissions from prescribed burns and wildfires, road construction and maintenance, and seedling production and transportation. Further information on exclusions and boundaries can be found in our methodology **HERE.**

In 2023, our total emissions were approximately 165,500 MTCO2e. The increase in total and scope 1 emissions from 2022 was largely due to returning back to our standard fertilization program as urea prices had returned to historical averages. While not affecting the total emissions, we did recategorize scope 3 category 9 emissions to scope 3 category 4 to better reflect our supply chain.

RMS GREENHOUSE GAS EMISSIONS[15]



[14] Sonne, E. (2006), Greenhouse Gas Emissions from Forestry Operations. J. Environ. Qual., 35: 1439-1450. https://doi.org/10.2134/jeq2005.0159

[15] 2021 total emissions per scope were assured by Lightstone Consulting, LLC. 2022 and 2023 total emissions per scope were assured by ERM CVS.

We continued to engage in the GHGP Land Sector and Removals guidance development in 2023. We also reviewed the applicable net-zero methodologies, including the Science-Based Target Initiative Forestry, Land-Use, and Agriculture (SBTi FLAG) methodology and the Net-Zero Investment Framework (NZIF), to evaluate our next steps for target setting. We fully support creating transparent inventory and target-setting standards and will remain engaged in a good faith effort in 2024 to create a workable solution that accurately quantifies the climate impacts of forest management.

7 AFFORDABLE AND CLEAN ENERGY

RENEWABLE ENERGY

FOLLOWING THE PASSAGE of the U.S. Inflation Reduction Act (IRA), the adoption of solar energy skyrocketed, making it arguably the cheapest source of energy on the planet[16].

With the increased urgency and demand for clean energy, we believe identifying tracts near major transmission grids for renewable solar energy could be a viable strategy for increasing forest value and mitigating climate change. We recognize the global need for a clean energy transition while also emphasizing the importance of responsible and sustainable land-use practices, community involvement, and conservation efforts to minimize the environmental and social impact of solar energy development.

To address these issues, we conduct due diligence on solar energy developers before options are in place to help ensure their projects will conform to all state and federal environmental regulations and guidelines. We favor developers with a record of using environmentally and socially responsible practices. Further, all solar projects must maintain important environmental and cultural forest values that we've identified. For solar leases, provisions require the developer to remove the panels and infrastructure, allowing for reforestation at the end of the lease.





[16] International Energy Agency's World Energy Outlook 2020



PRACTICING SOUND GOVERNANCE

Sound governance drives responsible action and guides us on our journey toward a sustainable future. It sets the course for policies that prioritize stewardship, climate action, and equitable resource management.



“Forests are fascinating places. They impart a sense of calm to people even while undergoing constant change as complex systems. This quality can inspire governance mechanisms for human systems. How can you influence human behavior so that organizations persist in the face of constant change and still have a positive net impact?”

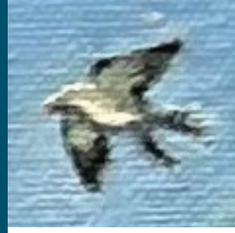
MARK WOLOSZYN
Director, Investment Strategy and Analytics

The RMS ESG Policy guides the implementation of relevant sustainable forestry practices and other organizational policies. Our tenets for good ESG governance practices include:

- **Ethical business culture:** We strive to maintain an ethical business culture—one that emphasizes trust and embraces transparency. This is essential for sustaining strong relationships with our investors, employees, partners, and stakeholders. We strive to empower our employees and eliminate excess management layers to improve coordination and communication. We believe this approach leads to higher 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 where we are active. We also adhere to the requirements of our sustainable forestry certifications and responsible investment affiliations.
- **Improvement:** We strive to make continuous improvements in all areas—employing strategies for developing our workforce and recruiting and retaining employees with an emphasis on achieving diversity, equity, and inclusion.
- **Respect:** We develop relationships with external partners based on mutual respect—working together to achieve greater recognition for the environmental and cultural importance of forests and forestry.

18%	8%	3.79	7
Employees with Ownership Stakes	**Turnover (as % of Full-time Equivalents)**	**Compensation Ratio[17]**	**Net New Hires**

[17] Ratio of the average base salary of executive management to the average base salary of all other employees



GOVERNANCE

INTEGRATING ACCOUNTABILITY & TRANSPARENCY

THE RMS BOARD OF MANAGERS is composed of a chairperson, four internal members, and three external members. We believe this mix provides a balance of respect, trust, and candor.

Our board holds us accountable, offers wisdom and insight, and drives continuous improvement. Along with other key members of the organization, it is responsible for ensuring RMS remains viable and for the formal oversight and implementation of ESG activities.

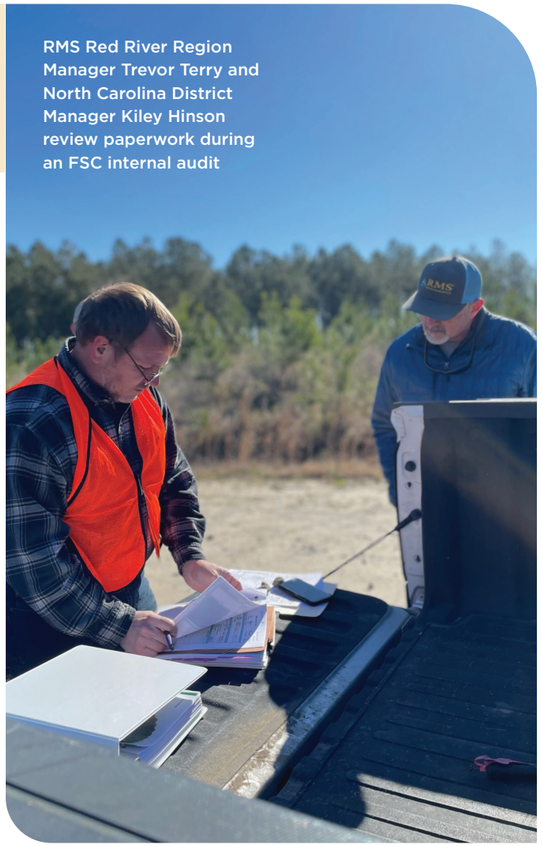
The RMS Executive Team, Management Team, and Investment Committee (IC) have authority for the day-to-day governance and implementation of policies and procedures.

To stay current with the latest developments in responsible investing, we recognize that we must continue to evolve our governance and capabilities to best serve our clients and society. To do this, we've identified and acted on the following:

1 **Updated our ESG Policy** to incorporate more guidance on climate, biodiversity, Indigenous Peoples, and DEI.

2 **Created new policies,** including Anti-Money Laundering, Modern Slavery, and Whistleblower. We also began developing our Human Rights Policy.

3 **Enhanced our ESG reporting capabilities** and increased alignment of our disclosures with TCFD, the Sustainable Accounting Standards Board (SASB), and, for clients based in the European Union, Sustainable Finance Disclosure Regulation (SFDR) and the European Union Taxonomy. We also laid the foundation to prepare our first Taskforce for Nature-related Financial Disclosures (TNFD) disclosure in 2024.



RMS Red River Region Manager Trevor Terry and North Carolina District Manager Kiley Hinson review paperwork during an FSC internal audit

4 **Strengthened our ESG expertise** to help investors meet their climate and biodiversity goals. We've been working with multiple partners to increase our ability to model and value carbon as a forest product to support net-zero goals and to quantify the biodiversity value of client-owned timberlands. We expect to execute multiple species reintroductions to enhance biodiversity outcomes on our clients' timberlands, and we continue to explore other nature-based strategies to support biodiversity-related goals.

CRAIG BLAIR
Chairman
RMS Board of Managers



INTERNAL BOARD MEMBERS



ALEX HINSON
President & 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

EXECUTIVE COMMITTEE
Leads and is Accountable For

POLICIES
- ESG
- Compliance
- Sustainable Forestry

RMS INVESTMENT COMMITTEE
Oversees, Implements, and Approves/Rejects

RMS MANAGEMENT TEAM
Leads and is Accountable For

AUDITS
- Certification
- Accounting
- Financial
- GHG

WORKING GROUPS
- Valuation Group
- Carbon Strategy
- Disclosures
- Systems 2.0

RMS TEAMS
- Forest Operations
- Investment Management
- Accounting
- Forest Sustainability
- Business Development
- Compliance
- Resource Planning
- Communications
- Human Resources

ESG INTEGRATION

BECAUSE WE ARE NATURAL RESOURCE MANAGERS, integrating ESG factors into all stages of our investment process is second nature to us.

The first stage is acquisitions, where we evaluate climate and conservation risks and opportunities, analyze environmental Phase I reports, and conduct field and GIS reviews. We then consider ESG factors in every investment and property management strategy and plan.

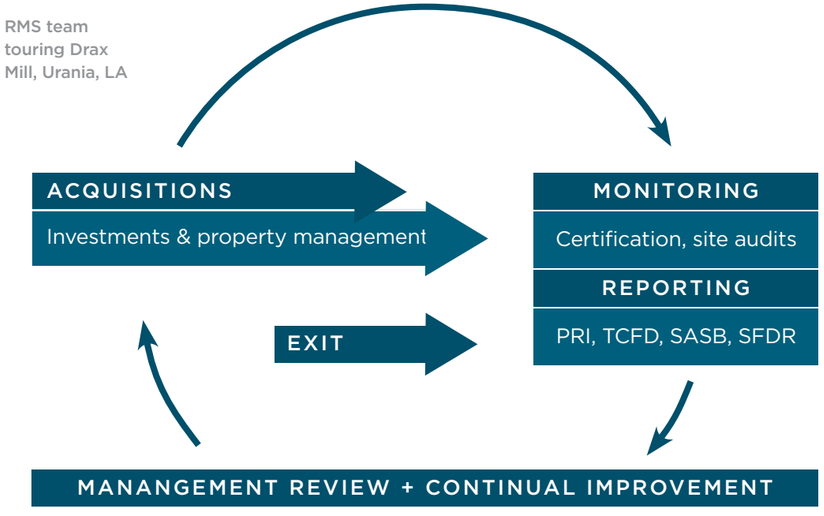
During the management phase, we put plans into action with the implementation of BMPs for water quality, threatened or endangered species, Special Sites protection, employee and contractor safety training, and forest research.

When we exit an investment, we pass along all relevant ESG-related information, such as any ecological, historical, or cultural sites that are known to be sensitive, to the new owner.

Throughout this cycle, we complete various monitoring and reporting activities that include forest certification, GHG audits, chemical application, harvest inspections, and ESG reporting. This whole cycle is improved by management review of our internal policies and procedures, our Principles for Responsible Investing (PRI) Transparency Assessment, and audit reports (e.g., forest certification, GHG, accounting) to uncover any gaps in governance, policies, and practices.



RMS team touring Drax Mill, Urania, LA



THE RMS FOREST SUSTAINABILITY TEAM collaborates closely with all other RMS teams to integrate ESG throughout our business and investment processes.

A key governance tool guiding our forest operations is forest certification. Our ESG Policy mandates that all forestlands must achieve certification from either the Programme for the Endorsement of Forest Certifications (PEFC) or the FSC management standard.

In the United States, we adhere to the SFI and FSC standards. In Brazil, we follow the FSC standards. Both standards encompass principles and criteria that promote transparency, accountability, stakeholder engagement, and continual improvement of both forest management and business practices.

CYBERSECURITY

CYBERSECURITY INCREASINGLY HAS BECOME A KEY ESG FACTOR FOR INVESTORS, as it closely aligns with financial and investment risk, faces heightened regulatory scrutiny, and has tangible real-world consequences.

In 2023, we had the opportunity to continuously improve our cybersecurity posture by updating information and technology policies, adding additional multi-factor authentication to cloud-based identities, implementing additional cybersecurity software technologies, and creating new training programs on cybersecurity and phishing. Companywide, we had a 7.2% average phish-prone rating compared to the 28.9% industry standard, and 100% of our employees completed cybersecurity training.

PROMOTING INTERNAL ACCOUNTABILITY

FOREST CERTIFICATION AUDITS

To manage ESG risks and opportunities, we rely on third-party forest SFI and/or FSC certification. We also use internal and external sustainable forestry audits as primary governance tools.

Our internal forest certification audits serve as essential governance tools, ensuring that we uphold our policies and certification standards and engage in continual improvement. Each audit cycle encompasses training, documentation review, and field inspections of harvest and silvicultural practices.

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

All external audits for the United States and Brazil produced excellent results. The audit teams provided helpful feedback on our operations, highlighting in particular:

- **The opportunity for improvement from the SFI U.S. audit concerned one skid trail that was not properly stabilized, which we immediately addressed. Future internal audits and training will increase emphasis on the importance of proper stabilization techniques.**
- **The only observation issued in the Brazil audit highlighted the need for better monitoring and documentation for contractors. We addressed this with improved contractor field check procedures and contractor monitoring documentation.**

External audit reports can be found **HERE** for RMS FSC U.S., **HERE** for RMS FSC Brazil, and **HERE** for RMS SFI.

GREENHOUSE GAS AUDITS

OUR 2022 AND 2023 GHG inventory underwent third-party limited assurance of the total emissions of each scope (see p. 34), which, relative to our 2021 assurance, was improved by the addition of on-site, in-person assurance of data collection and reporting methods as well as desk review. More details on the assurance process can be found in the assurance report **HERE**.

Overall, feedback from the auditors was positive, with no material findings. They noted items for management review, such as how we're tracking business travel information and the structure for internal audits, that we'll address in 2024.



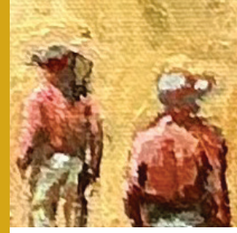
ACCOUNTING & FINANCIAL AUDITS

OUR ACCOUNTING PROCESS WORKS TO ENSURE ACCURACY AND TRANSPARENCY in 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.

We engage a third-party timber security firm and conduct field office inspections to ensure robust governance and accountability across our assets. The timber-security firm helps detect any fraud in timber sale, transport, and delivery activities. Our field office inspections, which are conducted by team members from other RMS operating regions and our accounting department, help us evaluate the operating effectiveness of accounting processes, such as cash receipts and expense transactions. This not only reduces operational risk, but it also allows our regions to come together to share best practices and continually improve.

Additionally, all client assets are subject to annual financial audits by third-party accounting firms. These financial audits include, among other things, substantive testing of asset valuations and revenue and expense transactions, and serve to provide an added layer of assurance with respect to client reporting for assets managed by RMS.





PEOPLE

OUR PEOPLE

Our employees are at the heart of everything we do, offering not just their skills but their unique perspectives and passions. This community of individuals, with their deep sense of responsibility for the well-being of the land, each other and our clients, is what drives our success.



With many new people starting at RMS, I think it's extremely important to demonstrate to them how RMS looks at sustainability to help our team develop. Understanding the various types of streams we have in east Texas and how and why we protect them is something that I enjoy sharing with people. While RMS is in the business of growing and managing pine trees, I think it's equally important to look at the hardwood trees we leave in place to help restore SMZs for current and future wildlife habitat."

CARRIE LAWRENCE
District Manager, Texas

161 Directly Employed Globally	148 U.S. Employees
12 Brazil Employees	1 New Zealand Employee



Atlantic Region, RMS Company Retreat, Gulf Shores, AL

INVESTING IN COMMUNICATION & CONNECTIONS

WE STRIVE TO CREATE AN INCLUSIVE WORKPLACE AND CULTURE, where employees feel valued, respected, challenged, and supported regardless of their background. Through conversations with our employees, we seek out ways to enhance the investments that we make in our people. In 2023, we listened and acted in the following ways:

2023 ACTION	
Developed Internal RMS Mentorship Program	Our internal RMS mentorship program connects early career professionals with more seasoned RMS employees. Mentors advise mentees who are learning our business and building their career. Early career professionals benefit from a strong relationship with a mentor, helping accelerate their professional growth and integration at RMS. These mentor-mentee relationships help us recruit and retain high-quality talent.
Enhanced Company Communications	We improved our company communications by establishing quarterly, company-wide Relating and Processing (RAP) calls, organizing monthly Lunch and Learns, and continuing to improve our quarterly company-wide newsletter.
Launched Employee Satisfaction Survey	The results of our employee satisfaction survey help us better understand our employees' perceptions of their work environment and job satisfaction levels and identify our shortcomings and strengths as an organization.

99%[18]
of Eligible Employees Participate in the Mentorship Program as a Mentee

97%[19]
of Employees Enjoy Working at RMS

$309,300
Spent on Employee Training & Development

4 Weeks
Paid Parental Leave Provided
(Inclusive of all Genders and Family Creation Types)

12 Weeks
Unpaid Family Leave Provided
(Parental, Family, Member Care, Medical Leave)





(L/R) Robby Toombs, Regional Manager, Delta Region, Karl Hansen, Sr. Forest Planner, Red River Region and Josh Beard, Resource Forester, Delta Region

RMS EMPLOYEE ACHIEVEMENTS

We are pleased to work with talented people, and we celebrated the significant achievements of three individuals in 2023.



Bob Naeger, District Manager and Sustainability Representative, was recognized as a Society of American Foresters (SAF) Fellow. SAF Fellows are acknowledged for their long-standing service to their profession and to the advancement of forestry. Bob is the third RMS employee to receive this recognition.



Dr. Bruce Borders, Manager of Inventory/Growth and Yield, received the 2023 Southern Mensurationists (SOMENS) Lifetime Achievement Award for his work as a senior research scientist contributing to the advancement of quantitative forest measurements in southern forests.



Alex Hinson, RMS President and CEO, was honored as the 2023 Distinguished Alumni by the University of Georgia Warnell School of Forestry and Natural Resources.

[18] Eligible mentees include full-time RMS employees who are within three years of graduation

[19] Based on 76% participation rate, with employees responding good or excellent to summer and winter 2023 surveys.

SUPPORTING THE NEXT GENERATION

WE BELIEVE STEWARDSHIP goes well beyond managing trees. We strive to develop our forestry workforce through innovative talent attraction and retention initiatives, and we promote DEI at all levels of our business.

In 2023, we hosted 24 interns globally, a record-breaking number for RMS. When we host interns, we ensure they grasp the entire scope of our business and engage on topics that excite them. In return, our interns offer fresh perspectives that help us better understand the forests we manage. **We are excited to share a few of their projects.**



Interns Mary Katherine DeWane and David Keebler standing next to a Nodding Yucca in full bloom

2023 RMS INTERN PROJECTS

RARE, THREATENED, AND ENDANGERED PLANT SURVEYS



MARY KATHERINE DEWANE

Forest Sustainability Intern (Birmingham, Alabama)
Yale University, Master of Forestry and Master of Business Administration

With an undergraduate degree in integrative biology, Mary Katherine was our in-house botany expert over the summer. She helped verify species locations that NatureServe data indicated might be present within our footprint. During our internal FSC audits, Mary Katherine received a best practice award for identifying the Drummond's false pennyroyal (*Hedeoma drummondii*) plant, an Alabama state imperiled species (S2), on a patch of Black Belt Prairie that we manage. She also helped verify occurrences of the Nodding Yucca (*Yucca cernua*) plant, an imperiled species (G2) endemic to Texas and Louisiana, on a Texas property that we manage. Additionally, she analyzed net-zero methodologies and made recommendations for net-zero pathways for RMS and the assets we manage.

BIRD POINT COUNTS



VANESSA FAULK

Forest Operations Intern (Wilmington, North Carolina)
North Carolina State University Bachelor of Fisheries, Wildlife, and Conservation Biology

To quote EJ Williams from the American Bird Conservancy, "birds are the ambassadors for biodiversity." We were thrilled to have Vanessa use her avian skillset to conduct modified point count surveys to understand how different bird species use different stages of pine forest growth, as well as investigate the significance of final harvests for early successional bird species. Vanessa documented 60 species while measuring forest inventory and checking in on logging jobs during her time in North Carolina. We're excited to use this data to better understand how our wildlife policies affect the overall health and biodiversity of the ecosystems we manage.

STUDYING INSECT IMPACTS ON FOREST HEALTH









JORDAN CAREY, MAC BOLAND, VANESSA FAULK, SIMON SHARP

NC Forest Operations Interns (Wilmington, North Carolina)
North Carolina State University, Duke University

Collaborating with the University of Georgia, the U.S. Forest Service (USFS) and other partners, our North Carolina interns collected insect samples to help researchers better understand the timing and species composition of insects post windthrow events (e.g., tornadoes, hurricanes).

COMPARING THE USE OF DRONES AND REMOTE SENSING IN FOREST MEASUREMENTS

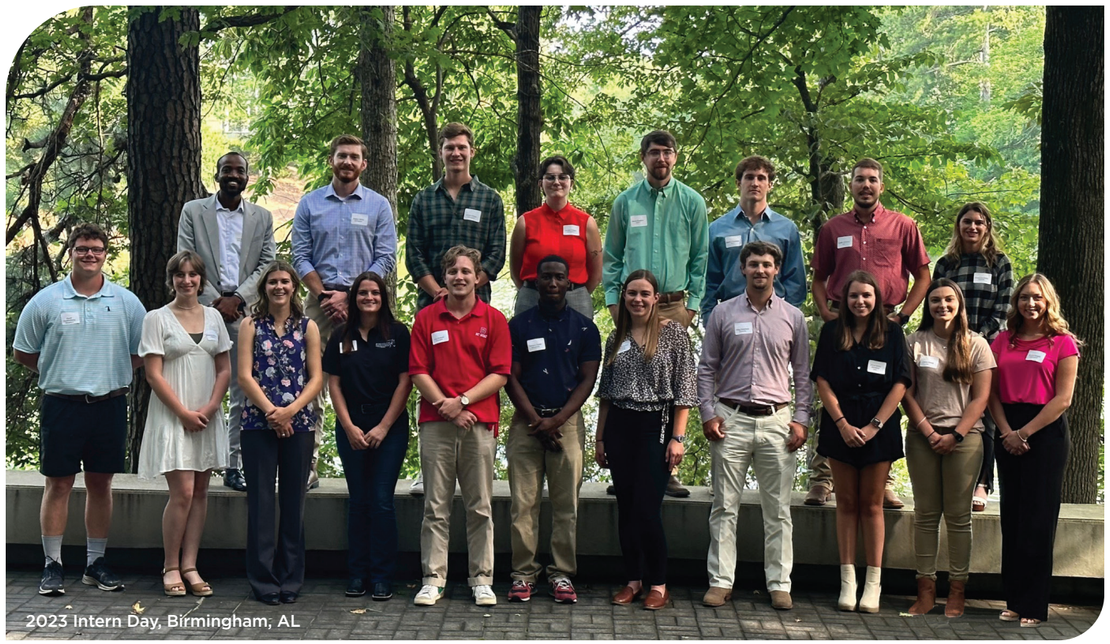




LETICIA MARIA SELLA, ANA JULIA RONCATA

Comfloresta Interns (Joinville, Brazil)
Federal University of Parana and University of Santa Catarina State, Forest Engineering

Our Comfloresta interns worked on a project in partnership with the Federal University of Parana, Arboreal Forest, and Katam. The project aimed to compare traditional tools for measuring diameter (forest measuring tape) and height (hypsometer) of trees with new digital tools, such as a measurement system with a smartphone-based laser, LiDAR, drones, and digital cameras. This research is ongoing.



2023 Intern Day, Birmingham, AL



DIVERSITY, EQUITY, & INCLUSION

DEI IS INTERTWINED WITH SOUND GOVERNANCE. Governance that lacks diversity and neglects equity and inclusion fails to represent the full spectrum of voices, perspectives, and experiences. We recognize that we're not as diverse as we'd like to be, and we still have work to do to make certain we're prioritizing fairness and health for all. Achieving DEI ensures that governance decisions and policies are more comprehensive, just, and effective, leading to better business outcomes and value for our clients and society.

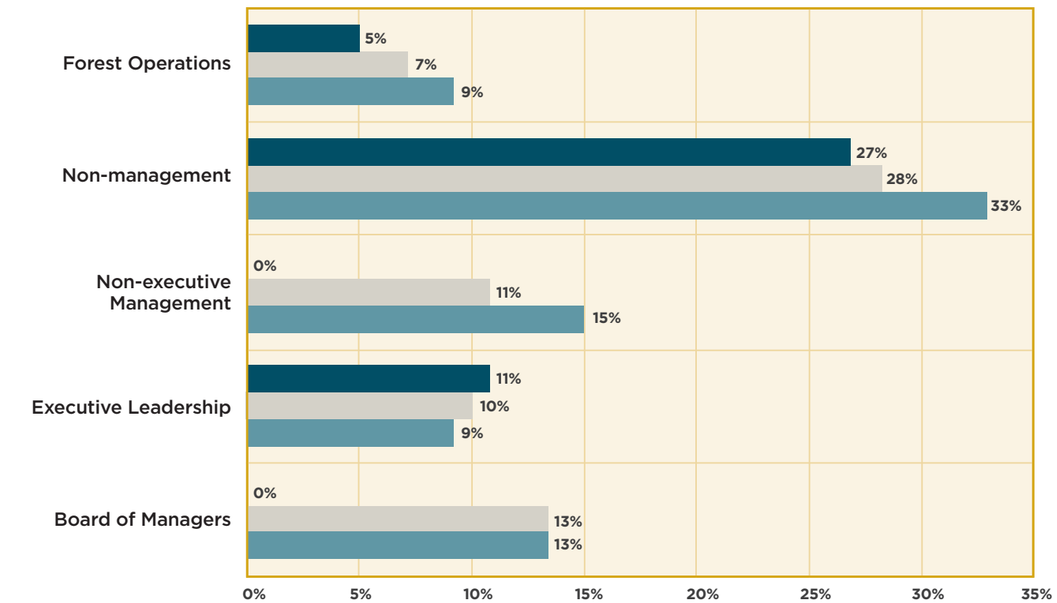
Our DEI program is governed by the DEI Implementation Team, which is a group of RMS employees representing different work functions and locations. Team members follow a charter that provides primary guidance and grants them oversight of our DEI program.

Key attributes of the DEI Implementation Team are:

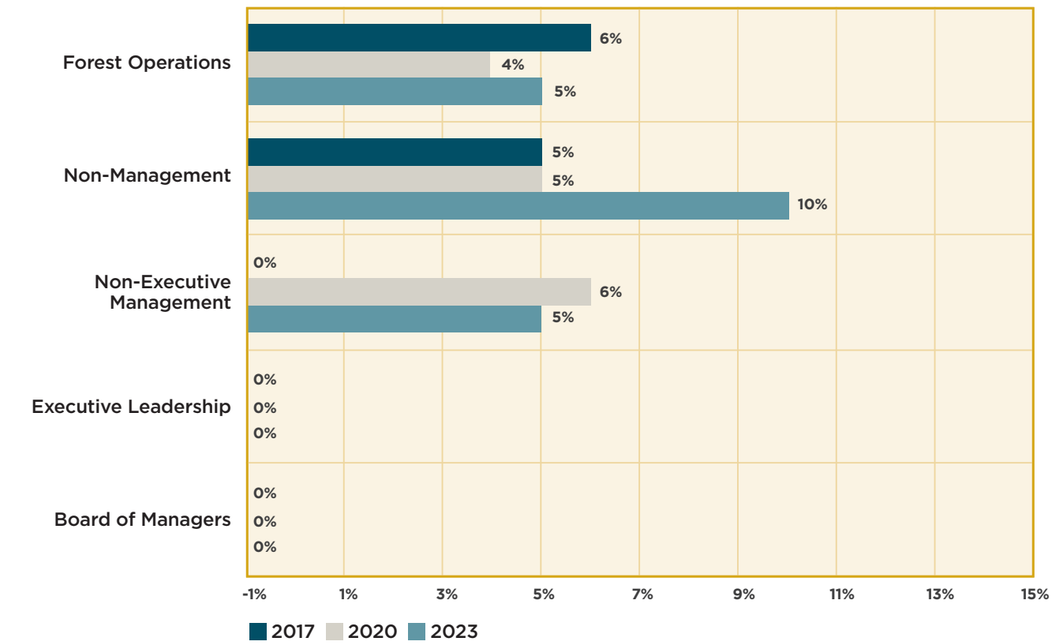
- Reports to the RMS Executive Team
- Represents a range of employee locations and functions, including senior leadership
- Ensures execution of DEI initiatives
- Stays up to date with best practices
- Provides guidance on implementing DEI practices

RMS DEI 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 merit and actively promote a culture that welcomes everyone. Together, we can create a company that is recognized as the premier creator of forest value.

WOMEN BY ROLE (GLOBAL, %)



BIPOC INDIVIDUALS BY ROLE (US, %)



HEALTH, SAFETY, & WELL-BEING

WE AIM TO CREATE A SECURE AND SAFE WORKSPACE that prioritizes the physical, mental, and emotional well-being of our employees, contractors, and service providers.

Our 2023 ESG materiality assessment underscored the significance of on-the-job health and safety for our employees and contractors. Creating a culture that promotes safety in the workplace not only diminishes costs but also mitigates risks across the entire forestry supply chain.

In 2023, we continued to improve safety reporting and communication with clients around these topics. We also adopted our Modern Slavery Policy and began developing our standalone Human Rights Policy to further our commitment to ethical and responsible business practices, mitigate risks, and contribute to a better society.

2023 SAFETY PERFORMANCE	EMPLOYEES		CONTRACTORS	
	U.S.	BRAZIL	U.S.	BRAZIL
Number of Incidents	0	0	32	4
Days Lost due to Safety Incidents	0	0	8	5
Number of Contracting Firms	—	—	268	73



CREATING A COMMUNITY OF HEALTH AND SAFETY

In Brazil, we conduct quarterly safety campaigns with our employees and contractors. In response to an observation from a past FSC audit, the 2023 safety campaigns included local communities for the first time.

Using lectures, banners, flyers, and even assistance from local nurses, the quarterly safety campaigns aim to raise awareness around important health and safety topics to keep our workers and communities safe. Campaign themes are often aligned with awareness months and colors, such as pink in October for breast cancer awareness or yellow in September for mental health.

Due to the increasing frequency and intensity of heat waves in Brazil, our 2024 summer safety campaigns will focus on the importance of hydration and proper use of sunscreen when working in the field.







Habitat for Humanity
dedication day, Burgaw, NC

ENGAGING COMMUNITIES

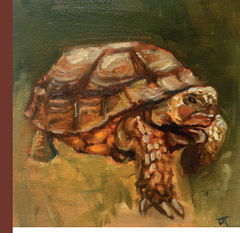
Community is essential to our mission of advancing the practice of forestry and the appreciation for privately owned forests. A community of people who understand their mutual interdependence and place a high value on good forestry ensures that the good work we do will last long into the future.

At RMS, connection and relationship building are at our core. We engage our communities via educational outreach, our scholarship program, volunteering, economic and rural development contributions, and advocacy.



“When I think of my time in the woods, it gives me a sense of respite and wonder. Being outside, among nature, is vital. It helps me appreciate the world and all that nature supports. I feel fortunate that my work helps the planet and the community in a greater sense.”

MARTHA BLALOCK-SMITH
Manager, Client Services



COMMUNITY

EDUCATION

EDUCATION CULTIVATES THE NEXT GENERATION of forest leaders. Our educational efforts include engaging with students of all ages through forest tours, classroom presentations, and workshops. These programs educate participants on the role foresters play in managing complex ecosystems and in producing nature-based products and services.

HERE ARE A FEW HIGHLIGHTS FROM OUR 2023 EDUCATIONAL OUTREACH ACTIVITIES. In partnership with the Mississippi Forestry Association and Project Learning Tree, Bob Naeger, District Manager, led part of three Teacher Conservation Workshops. Bob guided 10 teachers as they saw the full product value chain in action while visiting a logging job, sawmill, mulch plant, and nursery. Additionally, our Brazil team helps with environmental education at two local schools—Campo Alegre-Santa Catarina Elementary and São Bento do Sul-Santa Catarina Elementary.



Tuskegee University Forestry and Natural Resources Trek Camp students





We hosted and led
9
Forest Tours

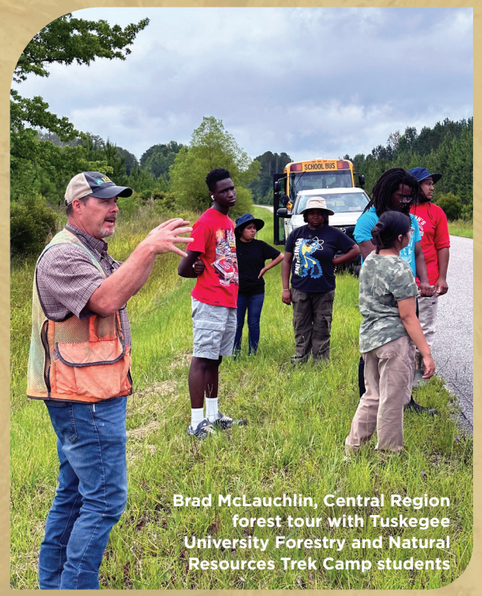
Our employees gave
28
Educational Lectures & Presentations



ABOVE RIGHT: Auburn University summer practicum students

ABOVE: Amanda Nunes and Martin Beavers talking about harvest scheduling at Mississippi State University

LEFT: Alex Hinson presenting at Auburn University's Forest, Environment, and Wildlife Leadership (FEWL) Academy



Brad McLauchlin, Central Region forest tour with Tuskegee University Forestry and Natural Resources Trek Camp students

LEADERSHIP DEVELOPMENT

WE BELIEVE THAT A MORE DIVERSE AND INCLUSIVE FORESTRY SECTOR IS KEY TO FACING TODAY'S CHALLENGES. We aim to create pathways for underrepresented groups to find fulfilling careers in forestry through our three scholarship programs. These programs—The Craig Blair-RMS Forestry Scholarship, RMS Forester of the Future Fund, and the RMS Society of American Foresters Scholarship—offer career and financial 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 are also paired with RMS employee mentors. In 2023, we welcomed a new university partner, Oklahoma State University, to further our impact.

SCHOLARSHIPS

THE CRAIG BLAIR-RMS FORESTRY SCHOLARSHIP

EST. 2016

$370 K — DISBURSED TO DATE
29 — RECIPIENTS TO DATE
$70 K — DISBURSED 2023
7 — RECIPIENTS 2023

RMS FORESTER OF THE FUTURE FUND

EST. 2018

$40 K — DISBURSED TO DATE
2 — RECIPIENTS TO DATE

RMS/SAF SCHOLARSHIP

EST. 2021

$20 K — DISBURSED TO DATE
1 — RECIPIENT TO DATE
$10 K — DISBURSED 2023
1 — RECIPIENT 2023

SCHOLARSHIP PARTNERS

2023 SCHOLARSHIP RECIPIENTS





Receiving this scholarship really made me self-reflect. I didn't know what to expect when I applied but was genuinely surprised when I was chosen. After being notified, I realized that I have a lot to give to the forestry industry, as I'm incredibly passionate. This scholarship not only provided me with the opportunity to finish my education, but it also reminded me to never give up and to always reach for the stars."

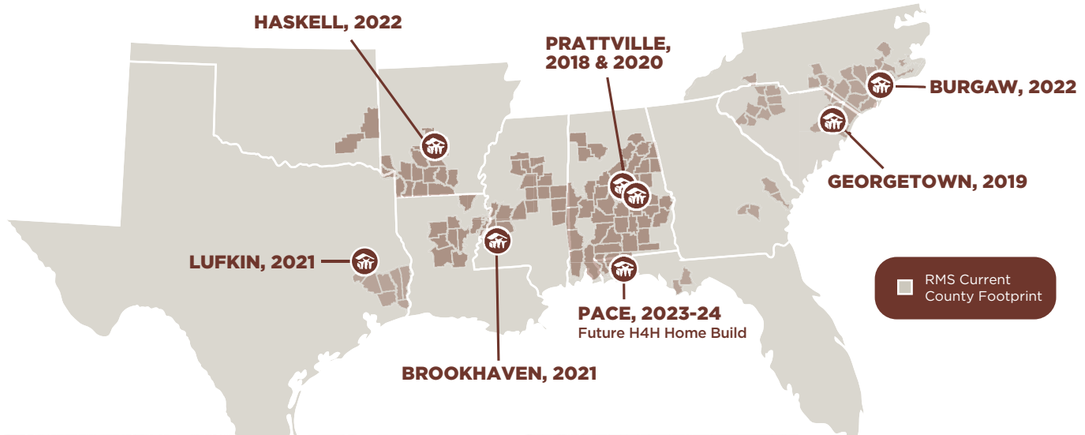
SARAH GROBAN
RMS SAF
Scholarship Recipient
California State Polytechnic University

COMMUNITY IMPACT

WE FOCUS OUR CHARITABLE EFFORTS on small, rural communities, where forestry plays an essential role in anchoring local economies.

We established the RMS Community Roots program to support our employees who are engaging in outreach in their communities. Each year, members of our team devote hundreds of volunteer hours to educational, philanthropic, and community-based efforts that are focused on promoting forest sustainability and forestry as a profession. Our employees receive one paid volunteer day per year for active engagement in their communities.

Habitat for Humanity (H4H) is one of our main community impact activities. We began this partnership in 2018 with the goal of building at least one home in each of our operating regions. Since then, we've helped build seven homes for deserving families. In 2023, we handed the keys to a home in Burgaw, North Carolina, that we started building in 2022 to the latest family.









ECONOMIC IMPACT & ADVOCACY

FORESTRY IS THE BACKBONE OF ECONOMIES AND CULTURES in the many rural communities where RMS operates. Strengthening and diversifying existing and emerging wood markets is critical for climate and economic resiliency. Our operations contributed to the economy in the following ways:

341
Number of Contracting Firms Directly Supported Globally by RMS

$555 M
Payroll Supported in the U.S.[20]

$1.7 B
Sales & Manufacturing-driven Activity in the U.S.

13,500+
Number of Jobs Supported in the U.S.

98%
Area Available for Hunting and Outdoor Recreational Opportunities in the U.S.



Resource Planning Group and Central Region working on the "End of Grade" process

[20] Economic data provided by the National Alliance of Forest Owners.

2023 ADVOCACY EFFORTS

POLICY PRIORITY	PARTNER	PROGRESS
Markets	**NAFO, American Wood Council (AWC), FLA**	Advanced wood construction as a climate solution by adding language into the Farm Bill supporting wood/mass timber construction. Supported the Timber Innovation Act, which strengthens wood construction and utilization for any new federal building construction and climate smart forestry.
	NAFO, U.S. Department of Agriculture (USDA), U.S. DoD	Created a coalition to support the adoption of woody biomass as a renewable fuel.
	NAFO, FLA, state forestry associations	Secured 65,000 supplemental H-2B visas to complete essential forestry services.
	NAFO, FRA, FLA	Secured funding for infrastructure and advances in green energy in the supply chain in the IRA. Legislation was also introduced to support investments in the workforce (e.g., harvesting, trucking).
	NAFO, FRA, FLA	Secured funding in the IRA to support bridges, rail, and shipping infrastructure to enhance supply chains.
	NAFO, state forestry associations	Worked with federal and state agencies to modify legislation on foreign ownership to address countries with interests hostile to the United States only
Conservation & Wildlife	**NAFO, American Wildlife Conservation Partners (AWCP), CSF, FLA, Wildlife Mississippi**	Drafted language for the insertion of a Forest Conservation Easement Program in the upcoming U.S. Farm Bill. Obtained bipartisan support of the bills in the U.S. House and Senate.
	NAFO, CSF, AWCP	Created marker bills in the U.S. House and Senate for the Restoring America's Wildlife Act.
	NAFO, NCASI, USFWS, Department of Interior (DOI)	Signed an MOU with NAFO, NCASI, and USFWS advancing WCI as the model for collaborative conservation, which gained Congress' and the President's recognition for exemplary conservation partnerships and practices.
Climate	**NAFO, USDA, FLA, CSF, AWCP, AWC**	Included language to fully fund the Forest Inventory and Analysis (FIA) program to provide consistent, high-quality forest carbon information in the draft Farm Bill.
Wildfire	**NAFO, USFS**	Signed an MOU with NAFO and the USFS that creates public-private wildfire control efficiencies.

Engaging in the development of public policies is fundamental to mitigating investment and operational risks while simultaneously generating value for our clients, societies, and countries in which we operate.

In 2023, we continued to forge close partnerships with private forest landowners and managers. These partnerships were facilitated by our affiliations with organizations that include the National Alliance of Forest Owners, Forest Landowners Association (FLA), Forest Resources Association (FRA), Congressional Sportsman's Foundation (CSF), and state forestry associations.

Our collaborative efforts span a broad spectrum of legislative matters, from climate to immigration, and are outlined in the table above.


Three generations of Covington loggers

CASE STUDY: ON LOGGING & LIFE: A CONVERSATION WITH THE COVINGTONS

In Alabama and much of the Southeast, the forest landowner and forest products sectors are economic powerhouses. Alabama is home to the second largest timberland base in the United States[21], and the forestry sector contributes more than $28.9 billion to the state's economy[22]. Much like farming, the harvesting business is often multi-generational and family-run.

Clifton Covington Sr. was raised in McIntosh, Alabama, and remembers starting to work in the woods in 1962 at the age of 17 to support his family.

"My father died before I was 2 years old, and my mama raised me," said Cliff. "I was in a family of six, with four sisters and a brother who was in the logging business like me. It's my life. All I know is work and taking care of my family. I've enjoyed it, and I consider myself a blessed man."

Cliff started his logging business in his hometown in 1968 with a '66 Chevrolet pickup truck and a Homelite chainsaw. Now 78, he passed ownership to his son, Cliff Jr., in 2013. The business has grown to two crews hauling 100 loads per week solely for RMS in South Alabama. "The highlight of my career was being able to turn the business over to my son and let him go with it," Cliff said.

Like his father, Cliff Jr. also grew up working in the woods. "I graduated high school on a Friday and went to work on Monday," Cliff Jr. recalls. "I started out as an apprentice and worked my way up. My son, Cliff Covington III, now works with us every day out there, too."





With fully mechanized equipment, logging isn't as physically demanding as it used to be. It's still hard work that's essential to the economic viability of forest ownership that underpins many of the other environmental and social benefits we enjoy from working forests.

Regarding advice for those going into the harvest business, Cliff Sr. recounts, **"If you don't adapt to change, you're going to be left behind in any profession because the world is constantly changing."** To make a career out of logging, you've got to have a vision. You can't work from day to day and think you're going to get rich overnight. It takes careful planning. There are some areas where you can't work when it's wet, and you have to plan ahead. RMS has kept us working. the company works with us, and its people take our word because we have proven they can trust us."

At RMS, we work with dozens of logging companies and hundreds of contractors globally to create forest value every day. The relationships we cultivate are grounded in reciprocity to mutually benefit all partners.

[21] Made in Alabama

[22] AL Reporter, 2023



A MESSAGE FROM PRESIDENT & CEO ALEX HINSON

RMS IS A LUCKY COMPANY. We take great pride in our people and our work, and we celebrate our successes while learning from our shortcomings.

In a world where words are abundant and genuine meaning often scarce, I cherish the relationships that I share with each member of the RMS team. It's a personal goal each year to visit with every employee and listen to what's important to them. These visits help shape the collective vision for the future of RMS, and I continue to be humbled by the candor of each employee when sharing with me. I benefit from their wisdom of experience, the eagerness of our newer team members, and the diversity of every employee's thoughts.

As a small company, we must be agile, leveraging new tools, technology, and best practices to not just keep up but also lead. RMS is continually searching for ways to conduct our clients' business smarter and better. Entering 2024, we look forward to embracing innovations and change that will set new benchmarks for success and create space for different ways of thinking this year and beyond.

Our company is defined by integrity. We place the interest of our clients above all, with transparency and good governance holding us accountable to our beliefs and commitments. We may not meet every target, but it's not because of a lack of effort or lost focus on what's important to our clients. Our integrity also leads us to hold both our neighbors and the forests we manage in high esteem, treating them with the care and respect they deserve.

All RMS employees, past and present, are members of the RMS team and the bedrock upon which our company is built. I'd like to close by remembering one of our own that passed in 2023.

Bruno Fritschi joined the company as a forester in 1967 and retired as our CEO in 2010. Bruno was a good and thoughtful forester. He was also a friend to everyone he met, an exceptional family man, and a mentor to many of us. On our shared and independent walks in the woods, we will honor his memory and contributions to RMS' success.

Thank you for engaging with our 2023 sustainability efforts. Our 2024 paths will undoubtedly follow new directions; however, RMS' personality and integrity will remain unchanged.

Sincerely,



ALEX HINSON
CEO and President





GLOSSARY

APPs	Areas of Permanent Preservation. In Brazil, these are streamside management zones or riparian buffers.
AUM	Assets under management
Biodiversity	All living things on the planet
Biomass	Material that comes from living organisms, such as plants and animals
BMPs	Best management practices
CCS	Carbon capture and storage. A collection of technologies that can combat climate change by reducing carbon dioxide emissions
Carbon sequestration	The process of capturing, removing, and storing carbon dioxide from the Earth's atmosphere.
CO2e	Carbon dioxide equivalent. A metric measure used to compare the emissions from various GHGs based on their global warming potential (GWP) by converting amounts of other gases to the equivalent amount of CO2 with the same GWP.
DEI	Diversity, equity, and inclusion
DOI	Department of the Interior
ESG	Environmental, social, and governance
FSC	Forest Stewardship Council
GHG	Greenhouse gas. As described in the Kyoto Protocol, GHGs include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), F-gases (hydrofluorocarbons – HFCs and perfluorocarbons – PFCs) and sulfur hexafluoride (SF6). Each gas is weighted by its GWP and aggregated to give total GHG emissions in CO2e.
HCV	High Conservation Value
Herpetofauna	Amphibians and reptiles
IRA	Inflation Reduction Act
NAFO	National Alliance of Forest Owners
NCASI	National Council for Air and Stream Improvement
Net-zero	Cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions being removed from the atmosphere through biological or technological means
PEFC	Programme for the Endorsement of Forest Certification
Riparian	Area between land and a river or stream
SASB	Sustainability Accounting Standards Board
SFI	Sustainability Forestry Initiative
Skid trail	Temporary roads or trails used by logging equipment to remove logs from a timber stand
SMZ	Streamside Management Zone
Sustainability	Meeting the needs of the present without compromising the ability of future generations to meet their own needs. It is built on three interconnected pillars: economic, environmental, and social.
TCFD	Taskforce on Climate-related Financial Disclosures
UN SDGs	United Nations Sustainable Development Goals
USFWS	U.S. Fish and Wildlife Service
WCI	Wildlife Conservation Initiative

TCFD DISCLOSURES

PILLAR		REFERENCE
GOVERNANCE		
Introduction	As an employee-owned timberland investment management firm that manages 2.4 million acres of forestland across the U.S. and Brazil, RMS' governing structure is uniquely positioned to have full transparency and accountability of sustainability issues impacting our firm. Our Board of Managers, Management Team, and Investment Committee all have broad awareness and responsibility over climate-related factors affecting our business. Given our unique ownership and governance structure, our Management Team and Investment Committee are specifically entrusted to oversee and manage climate-related risks and opportunities. As our success hinges upon forest health and productivity, climate-related factors are an embedded and inseparable component of our firm's work. RMS is a forest investment manager. As such, we have purposely segmented the governing roles of the company from the firm's Board of Managers versus the Investment Committee of the assets.	Introduction (p. 8-12)
Board Oversight	Our Board of Managers has operational and company oversight and is ultimately responsible for climate-related risks and opportunities at RMS. Our Board has a specific mandate to manage our firm as a whole and its 16 investment vehicles. The Board receives pertinent information on climate-related factors through the Investment Committee. We have four members of the Board with overlapping memberships on the Investment Committee. Additionally, each investment vehicle has a board or equivalent body that has retained appropriate authority to ensure RMS is transparent, and accountable, and delivering on its management obligations.	Governance (p. 37-40)
Management's Role	The Forest Sustainability Team, whose Senior Vice President is on the Investment Committee, has largely been responsible for assessing and monitoring climate-related factors for the firm. As such, the Investment Committee briefs the Board on climate-related issues as relevant. This includes approving and implementing climate-related policies, strategies, and initiatives. Our Board then reviews key metrics, initiatives, and strategies for our climate-related risks and opportunities on an as needed basis with guidance and expertise from the Management Team. We hold additional meetings as needed, inviting insights from our various Management Team members.	Governance (p. 37-40)
Description of Functions	The Investment Committee and Management Team are responsible for day-to-day governance and implementation of policies and procedures for the firm. The Investment Management and Forest Sustainability teams regularly monitors and implements the procedures to address or surface relevant climate-related risks and reports to the Management Team and Investment Committee as needed.	Governance (p. 37-40)

STRATEGY		
Risks + Opportunities	At RMS, we understand that our assets are subject to impact by climate-related events. We continuously seek to deepen our understanding of the impacts of climate-related risks on our business, and our management approach is inherently well-aligned with the TCFD's recommendations. We have evaluated some of our clients' assets against various physical risks such as flooding, drought, uncontrollable wildfires, hurricanes, severe weather, storms, pests (particularly southern pine beetles in the U.S. due to increasing temperatures), and diseases. We also identify and assess transition risks, such as emerging regulations, reporting and disclosure requirements, and other market changes.	Forest Carbon & Climate (p. 32)
Potential Impacts of Risks over Short- and Long-term	The timberlands we manage have, on average, 17-year-long rotations in Brazil and 25-year-long rotations in the U.S. South. Coupled with this longer cycle of holistic forest management, we are responsible for continual stewardship. As such, we must consider physical climate risks over all time horizons. To do this, we engage with the latest academic research to understand potential positive and negative impacts on forest health and productivity within plausible climate change scenarios. In addition to longer-term physical climate risks that are considered and monitored, we also engages with policymakers and advocacy groups to mitigate the short- and medium-term potential risks and understand the opportunities within the specific context of policy changes that could affect the firm's long-term performance. We assess risk over short-, medium- and long-term ranges and determine appropriate mitigation measures based on the severity of such risks. We are evolving and advancing our climate strategy process to be even more specific, evaluative, and robust. In North America, we have evaluated climate projections for loblolly pine—our dominant commercial species—against four IPCC climate scenarios. Leveraging the National Council for Air and Stream Improvement's (NCASI) Climate Projection Analysis Tool (CPAT), we were able to examine the potential physical risks to the forests we manage. CPAT allowed us to understand how projected changes in temperature and precipitation impact loblolly pine productivity and distribution and how those change within the four scenarios and by region. Our analysis, coupled with other research, found that the forests we manage are well within the range of favorable precipitation and temperature combinations under most scenarios throughout the end of the century. Loblolly pine's existing resilience will be enhanced through our continued engagement with co-ops and researchers as well as active forest management practices, which are core to our methods as sustainable forest managers.	Forest Carbon & Climate (p. 32)

RISK MANAGEMENT		
Process on Identification and Assessment of Climate-related Risks	We identify and assess climate-related risks from our firm-wide materiality assessment, and in the U.S., we also identify relevant climate-related risks based on research from the Pine Integrated Network Education Mitigation and Adaptation Project (PINEMAP), NCASI, the U.S. National Ocean and Atmospheric Administration (NOAA), and the U.S. Forest Service (USFS) as part of Sustainable Forestry Initiative® (SFI) certification to meet the Climate-Smart Forestry objective. The framework we use to identify risks and adaptation activities includes: • Identifying relevant risks • Prioritizing risks • Identifying activities to reduce risk and build resiliency • Implementing monitoring and defining feedback • These assessments are regional, and as clients request, asset specific. Our Investment Management and Forest Sustainability teams work together to communicate relevant risks to clients. Our Investment Management, Resource Planning, Forest Operations, and Forest Sustainability Teams continually work to identify management actions to improve the physical and financial resilience of the forests we manage. We also identify and assess transitional risks, such as emerging regulations. These processes illustrate how our climate-related risk management process has been used to identify, evaluate, and respond to physical risks.	ESG Integration (p. 40)
Processes for Managing Risks	We assess climate-related risks and opportunities as part of our business functions. We assess some risks in the pre-acquisition stage by reviewing historical climate data and risks and in the acquisition stage for existing and potential risks. Additional environmental reviews are also completed to evaluate the presence or risk of environmental contamination, previous land use and land management practices, and associated legal and financial liability. Risks are evaluated across each asset. These risks include natural disasters, sea-level rise, insects and disease, and potential risks related to federally-listed or other plant and animal species of conservation interest. Risk at the asset-level is continually monitored by the region managing the asset and reported to the Forest Operations, Resource Planning, Forest Sustainability, and Investment Management Teams predominantly through the forest certification audit process. Asset-level risks are monitored quarterly, at a minimum, by the Board. We also engage with a variety of industry organizations such as NCASI, PINEMAP, the Forest Climate Working Group (FCWG), the Climate Smart Land Network, Manomet, and SFI Implementation Committees (SICs) to examine and implement strategies for sustainable forest management, including growing organizational understanding of relevant climate change risks and the potential impact on RMS managed forest assets. This includes providing land for the evaluation of climate adaptation strategies.	ESG Integration (p. 40)

RISK MANAGEMENT		
Integrated Risk Management Procedures	Our approach to proactive risk management is reflected in our sustainable forest management practices. We prioritize protecting stream, riparian, and ecologically unique areas, using chemicals with caution, and engaging and leveraging research on forest stands and landscape levels. We assess risks across our assets frequently and regularly, with risk assessments worked into our process for asset acquisition and management. Our Forest Sustainability, Acquisitions, Resource Planning, Investment Management, and Forest Operations teams regularly monitor risk across all assets. Management reviews these risks and, as appropriate, addresses.	Land (p. 18-35), ESG Integration (p. 40)
METRICS & TARGETS		
Metrics Used to Assess Climate Risks	Beyond the Investment Committee, our leaders integrate sustainability into their oversight roles via data, processes, and the monitoring of metrics related to forest health and productivity. These include casualty loss from severe weather events, survival, genetic diversity, and thinning targets. We continue to follow guidelines and best practices to track our metrics outlined by the world's leading forest management standards, including SFI and the Forest Stewardship Council™ (FSC™), as well as the National Certification Standards that are recognized by the Programme for the Endorsement for Forest Certification (PEFC), as well as recommendations from TCFD. In addition to the other data points, RMS is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), which requires annual reporting on our global compliance and ESG-related activities. As an organization, we consider these standards baseline measures, and we consistently strive to exceed them. Additionally, we account for land-based carbon removals based on timberlands we manage. Some carbon is locked up in long-lived wood products, and we calculate the storage potential based on a 100-year average.	Forest Carbon & Climate (p. 33)
Disclosure of GHG Emissions	We are committed to continuously tracking and monitoring our GHG emissions and reporting them every year.	Forest Carbon & Climate (p. 34)

SASB DISCLOSURES

TOPIC	ACCOUNTING METRIC	CODE	2023 RMS RESPONSE	SUSTAINABILITY REPORT REFERENCE
SASB Forest Management and Asset Management and Custody Standards				
Ecosystem Services and Impacts	Area of forestland certified to a third-party forest management standard, percentage certified to each standard	RR-FM-160a.1	100% of forestland (2.4M acres) that we manage is certified to the Sustainable Forestry Initiative® (SFI) and/or Forest Stewardship Council™ (FSC™) standards. - SFI: 88% (2,110,986 acres) - FSC: 50 % (1,214,118w acres) - Dual SFI and FSC certified: 38% (916,343 acres)	How We Manage Forests (p. 19-21)
	Area of forestland with protected conservation status	RR-FM-160a.2	Formal habitat conservation plans, conservation easements, and areas containing federal or state-protected species or ecological communities account for 81,105 acres. There is an additional 2,505 acres of other protected conservation areas managed as part of the RMS Special Sites Program. As required by forest certification standards, Best Management Practices (BMPs) are implemented to protect water quality, and the fund contains 416,082 acres of SMZs. 5,020 acres of formal protected area overlap with SMZs.	Conserving Life on Earth (p. 24-25)
	Area of forestland in endangered species habitat	RR-FM-160a.3	The combined acres of state and/or federally listed threatened and endangered species habitat is 23,088 acres.	Conserving Life on Earth (p. 24-25)
	Description of approach to optimizing opportunities from ecosystem services provided by forestlands	RR-FM-160a.4	Active forest management contributes positively towards optimizing ecosystem services that are provided by forestlands in a variety of ways. We further describe this in our Global Sustainability Report.	Land (p. 18-35)
Rights of Indigenous Peoples	Area of forestland in indigenous land	RR-FM-210a.1	0% - The timberlands we manage are not considered to be in indigenous peoples' lands.	How We Manage Forests (p. 19-21)
	Description of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community	RR-FM-210a.2	We uphold FSC Principles 3 and 4, as well as SFI Objectives 8 and 12, prioritizing fair hiring practices, safety, stakeholder engagement, and protection of indigenous rights and cultural heritage. Through measures such as consultation with federally recognized indian tribes, incorporation of cultural sites into protected areas, stakeholder engagement before planned harvest and silvicultural activities, and support for local communities and employees, we demonstrate our commitment to responsible forest management and social stewardship.	People (p. 45-53) Community (p. 54-59)
Climate Change	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	RR-FM-450a.1	We assess some climate-related risks and opportunities as part of our business functions. We further describe this in our TCFD disclosures.	Climate Risks & Opportunities (p. 32-33) TCFD Disclosures (p. 68-71)
	Absolute gross financed greenhouse gas (GHG) emissions	FN-AC-410b.1	Scope 1: 16,956 MTCO2e Scope 2: 0 MTCO2e Scope 3: 146,889 MTCO2e - Category 1: 122,924 MTCO2e - Category 4: 23,964 MTCO2e	Forest Carbon & Climate (p. 34) Note: Financed emissions only include emissions associated with assets under management and do not include RMS, LLC emissions.
	Total amount of assets under management (AUM) included in the financed emissions disclosures	FN-AC-410b.2	Scope 1, 2, and 3 emissions disclosures account for $5.131B and emissions associated with property management only assets.	Forest Carbon & Climate (p. 34)
	Percentage of total assets under management (AUM) included in the financed emissions calculation	FN-AC-410b.3	100% of our AUM is included in the financed emissions calculation. However, emissions from prescribed fire, seedling production, and road work are not currently included. RMS is working on improving its methodology to account for these activities.	
	Description of the methodology used to calculate financed emissions	FN-AC-410b.4	Financed emissions are calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). Given our role as a timberland investment management organization (TIMO) and subsequent investment management agreements, we utilize an operational control approach and account for emissions from forest to mill gate. We use emissions factors from the U.S. Environmental Protection Agency (EPA), the Intergovernmental Panel on Climate Change (IPCC), and the Forest Industry Carbon Assessment Tool (FICAT).	
Activity Metrics	Aggregate standing timber inventory	RR-FM-000.B	We report our timber inventory in units of short tons. Our 2023 year end standing timber inventory was 110,081,550 short tons.	
	Timber harvest volume	RR-FM-000.C	We report our timber harvest in units of short tons. In 2023, we harvested 9,698,815 short tons.	

Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	0, 0%	
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial-product-related information to new and returning customers	FN-AC-270a.2	0	
	Description of approach to informing customers about products and services	FN-AC-270a.3	As an SEC registered investment advisor, RMS adheres to all relevant statutory, legal, and ethical requirements when describing investment opportunities to prospective and current clients.	Practicing Sound Governance (p. 37)
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	DEI is intertwined with good governance. Governance that lacks diversity and neglects equity and inclusion fails to represent the full spectrum of voices, perspectives, and experiences. We report on these metrics and our approach to fostering DEI in our Global Sustainability Report.	Our People (p. 50-51)
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability-themed investing, and (3) screening	FN-AC-410a.1	As of Dec 31, 2023, RMS AUM was $5.13B USD, all of which employed ESG integration. We do not have any unregistered AUM.	ESG Highlights (p. 14-15)
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	As we are natural resource managers, integrating ESG factors into all stages of our investment process is foundational to our business. We further describe this our Global Sustainability Report.	ESG Integration (p. 40)
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other financial industry laws or regulations	FN-AC-510a.1	We have not had any legal incidents and subsequent losses from any fraud, anti-trust, and other incidences.	
	Description of whistleblower policies and procedures	FN-AC-510a.2	Any improper or suspicious activities, including violations of the RMS Compliance Manual, must be promptly reported to the Chief Compliance Officer (CCO) or external legal counsel via in-person, telephone, email, or written letter, with the option for anonymous reporting. All reports are thoroughly investigated, and retaliation against whistleblowers is strictly prohibited, with any instances requiring notification to the CCO or external legal counsel. We comply with Dodd-Frank Act Section 922, prohibiting interference with whistleblowers' efforts to report potential violations to the SEC. There have been corrective actions taken to date regarding violations of whistleblower regulations.	
Activity Metrics	Total assets under custody and supervision	FN-AC-000.B	Total assets under custody are $76.34M and total assets under supervision are $5.13B. These comprise total assets under custody and supervision to $5.21B.	

All metrics are as of Dec. 31, 2023, and inclusive of AUM in investment advisory services and property management arrangements. For a full DATA INDEX of metrics in the Global Sustainability Report, please download HERE.



ABOUT THIS REPORT

THIS REPORT REFLECTS RMS' SUSTAINABILITY WORK for the calendar year 2023 (January 1, 2023 – December 31, 2023). It describes our ESG journey, in collaboration with our investors, to ensure a sustainable future for forests through investments in land, people, and communities. Unless otherwise noted, all metrics are verified as of December 31, 2023. This report has been prepared with guidance from the UN SDGs, SASB, and TCFD.

The information contained in this report is provided by RMS to share our efforts regarding responsible ownership. The materials are for informational purposes only and do not constitute and should not be construed as an offer to sell or solicitation of an offer to buy any securities or related financial instruments in any jurisdiction in which such offer or solicitation, purchase, or sale would be unlawful under the securities, insurance, or other laws of such jurisdiction. Any such solicitation will only be made through formal offering materials that will include, among other disclosures, numerous risk factors relating to private fund investments. Responses to any inquiry that may involve attempting to effect transactions in securities will not be made absent compliance with applicable U.S. and non-U.S. registration requirements, or applicable exemptions or exclusions therefrom. RMS has an absolute right in its sole discretion to choose not to respond to any such inquiry.

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

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 our PRI Transparency Reports and this Sustainability Report, both of which are available publicly.

The result of our 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' 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, storm frequency and intensity, and other causes beyond the control of RMS that may affect operating results.


RMS
Creating Forest Value Since 1950
31 INVERNESS CENTER PKWY | SUITE 200
BIRMINGHAM, AL 35242 | 800.995.9516
resourcemgt.com