



TIMBERLAND INVESTMENT RESOURCES_{LLC}



Sustainability Report 2022



Thank you for taking the time to review our inaugural Sustainability Report.

We are excited to share this document with you on the 20th anniversary of our firm’s founding because it represents a milestone in our sustainability journey.



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I A Message from the Leadership Team

To TIR, actively managing Environmental, Social, and Governance (ESG) risk and opportunity is an extension of our firm's sustainability emphasis and ethos.




It Begins with Sustainability

Privately owned working forests provide society with clean water and air, biodiversity, wildlife habitat, and open space, which influence our health, well-being, and quality of life. In addition, such forests often are economic and cultural anchors in rural communities because they help define their identities by providing jobs and by creating a multitude of recreational opportunities. Because this is the context within which TIR makes and manages forest investments, we have always understood that our investors are not our only constituencies – that the general public and those who live and work around the forest assets we manage have an interest in what we do and how we do it. Furthermore, we believe TIR has a land ethic as an organization grounded by a commitment to professional forestry.

Looking ahead, TIR will continue integrating sustainability into our firm and operations in new and different ways to promote organizational growth, achievement, and improvement.



As a fiduciary, TIR has a primary responsibility to our investors, and specifically to help them meet their risk and return objectives. Being known as a company that consistently operates with a strong set of sustainability values creates advantages and generates benefits for our clients in all three phases of the investment process:



During the Asset Acquisition Phase...

It enables us to source more and higher-quality acquisition opportunities because most sellers of privately owned forests care about the long-term protection and conservation of their environmental values. This means many timberland sellers would prefer to do business with buyers that have demonstrated a commitment to practicing sustainable forestry and to being responsible land and social stewards.

During the Management Phase...

It supports our efforts to generate competitive investment performance for our clients because it enables us to manage their forests efficiently and without complication. Specifically, our focus on sustainability enables us to build more open, effective and collaborative relationships with regulatory agencies, community groups, and conservation organizations. This, in turn, can facilitate our efforts to obtain operating permits, undertake property maintenance projects, initiate planned silvicultural activities, and manage environmentally, historically, and culturally sensitive areas with their support.

During the Disposition Phase...

It can make the process of selling our clients' properties easier and potentially more lucrative. Being known as an excellent forest manager means that when we bring clients' forests to the market, they are recognized as productive, high-quality assets. Having a reputation for practicing sustainable forestry and responsible stewardship also enables us to work more closely with state agencies and well-respected, private, conservation organizations to sell them parcels and tracts that have special or unique public attributes.




Our ultimate objective in producing this report was to explain what we have accomplished since our founding in 2003, where we are today, and where we hope to go tomorrow. Looking ahead, TIR will continue integrating sustainability into our firm and operations in new and different ways to promote organizational growth, achievement, and improvement.

Thank you for your time and attention.



We welcome your feedback

Please share your reactions by emailing or calling any of us, or by reaching out to Justin Fier, Managing Director, Impact Strategy at fier@tirllc.com.


Mark T. Seaman

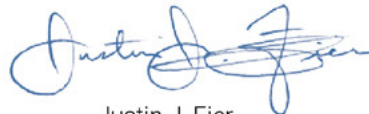

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II Our Sustainability Statement and History

Our goal is to integrate sustainability principles into our culture, operations, and investment strategy by embracing a comprehensive set of standards.



These efforts include utilizing a proprietary ESG Performance Management Framework (ESG-PMF) to support our asset acquisition, investment management, and forest operations activities. We see this as an essential step in managing investment and business risk as well as in identifying natural capital monetization opportunities that we can pursue to create and capture additional investment value for our clients.

TIR's Sustainability Statement

We are committed to...

1. Integrating sustainability principles into our business and investment processes.
2. Being accountable and transparent in our role as a fiduciary and as a corporate citizen.
3. Working collaboratively with our stakeholders and supporting economic resilience in the communities where we operate.
4. Ensuring the health and wellbeing of employees and others who are associated with, or impacted by, our business.
5. Practicing sustainable forestry and promoting environmental stewardship.
6. Fostering and sustaining an inclusive workplace where people of diverse backgrounds and perspectives are valued and where all team members have access to opportunities to grow and advance.
7. Promoting continuous organizational improvement based on sustainability principles.





Kicking off a New Initiative in 2019

TIR launched a strategic initiative in 2019 to explore new and enhanced ways of embracing and integrating sustainability considerations into our business and our approach to forest investing.

Led by our Chief Executive Officer, Mark Seaman, this effort began with the establishment of a Sustainability Committee. This cross-functional team was charged with defining: 1) what sustainability should mean to TIR in a policy and strategic context; 2) how TIR's overarching efforts to identify, manage, and mitigate business and investment risk should evolve in relation to the sustainability issues that influence our operating environment; and, 3) to educate our organization about how the world and markets in which we are active define these concepts so we could better align our activities with recognized and accepted standards.

TIR's Sustainability Principles

We invest in working forests, related natural resources, forest-based supply-chain assets, and renewable energy generation infrastructure.

As an organization, we are committed to being...

- An accountable and transparent fiduciary.
- A responsible and sustainability-focused asset manager.
- A highly regarded environmental steward.
- A respected employer and corporate citizen.
- A positive economic and social force for communities.

We incorporate these principles and commitments into our business by doing the following:

-  Integrating sustainability screens and strategies into each phase of our investment and asset management processes to mitigate risk and to enhance our capacity to generate competitive returns for our clients.
-  Building strong, mutually beneficial relationships with our stakeholders and the communities where we operate.
-  Utilizing policies and practices designed to protect the health and safety of those who work with and for us, as well as those otherwise impacted by our activities.
-  Providing an inclusive, challenging, and rewarding work environment – one where people with diverse backgrounds and perspectives are valued and where opportunities for professional growth and advancement are universally available.
-  Working to improve our business policies and processes by using sustainability considerations to stimulate and support continuous organizational growth, development, and improvement.
-  Embracing our responsibility to practice sustainable forestry, to utilize exemplary environmental stewardship practices, and to support and improve forest certification standards.
-  Developing and utilizing technologies and strategies that can make the forests and other assets we acquire and manage for our clients healthier, more productive, and more valuable sources of environmental and social capital.



Our Sustainability Committee’s Work

After many months of research, our Sustainability Committee made a series of recommendations to the TIR Leadership Team in 2020 and 2021. These included:

- **Encouraging the firm** to affiliate with the United Nations’ Sponsored Principles for Responsible Investment (PRI).
- **Suggesting we revise our Core Foundational Statements** (Vision, Mission, Strategy, Core Values, and Operating Principles) to ensure they properly reflected our commitment to sustainability.
- **Promoting our adoption of a Sustainability Statement** to outline what we wanted to communicate externally about our approach as well as the principles that define it.
- **Recommending TIR develop a series of initial policies** on sustainability issues of import to our business, especially in relation to how we practice stewardship on our clients’ lands, how we treat employees and clients, and how we engage with the communities in which we are active.
- **Creating a more intentional approach** to integrating sustainability considerations into our investment strategy and decision-making processes.

TIR’s Core Foundational Statements

TIR’s Core Foundational Statements are expressions of why we exist, what we are trying to accomplish as an organization, how we are trying to achieve our goals, what we value as a firm, and how we strive to behave. These statements were revised and updated based on the recommendations of our cross-functional Sustainability Committee in 2020 to ensure that they properly reflect our commitment to sustainability.

Vision:

We exist to unlock the value of the world’s forests.

Mission:

We provide our clients with innovative, forest-based investment offerings that optimize long-term performance while contributing to community resilience and environmental sustainability.

Strategy:

We identify forest-based market inefficiencies and position our clients to capitalize on them.



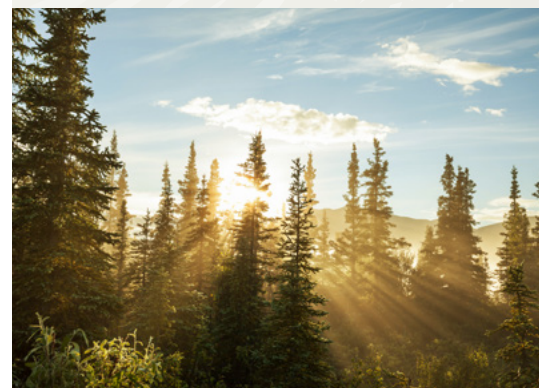


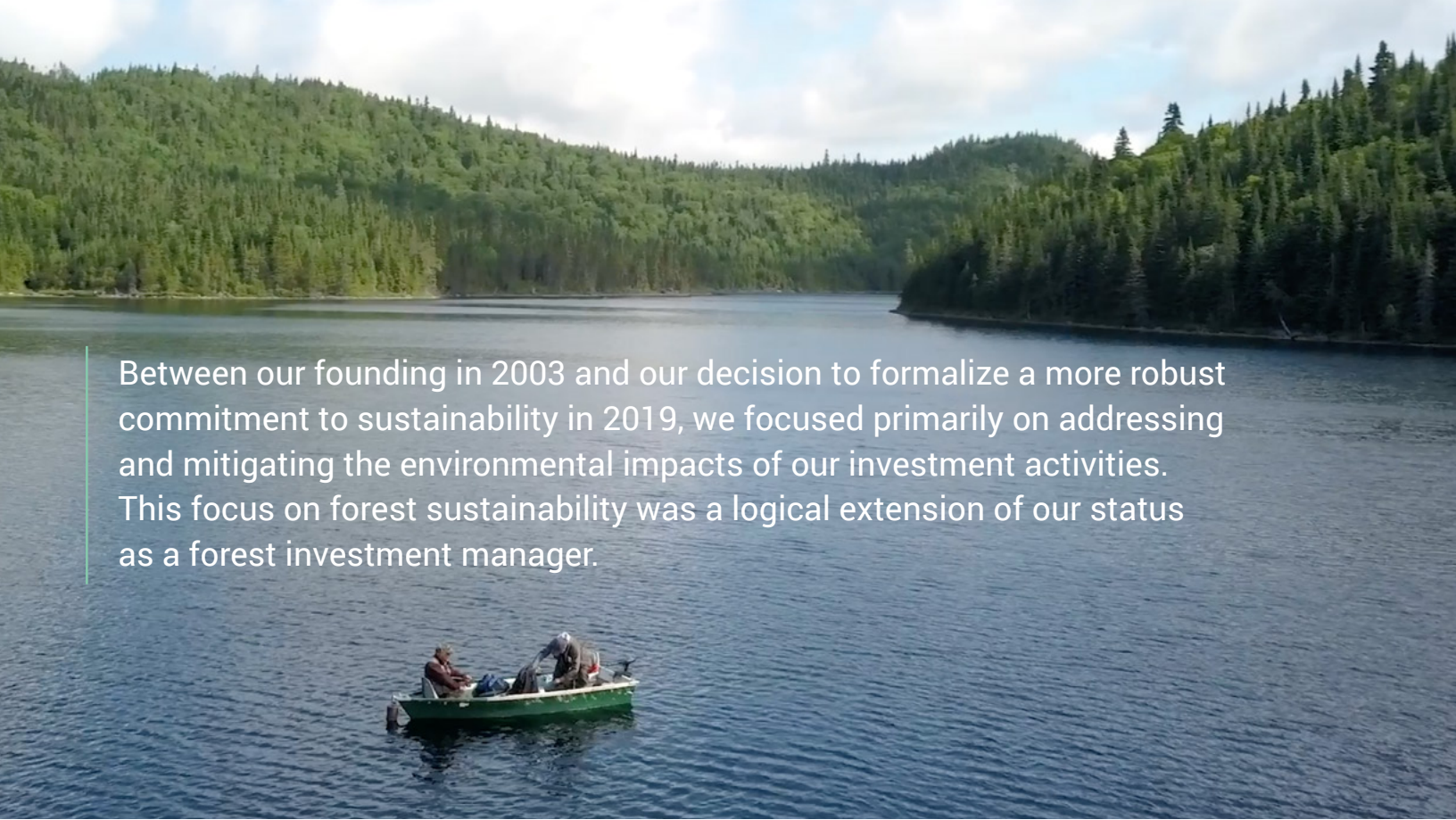
These recommendations were endorsed by TIR senior leadership, and in 2021, we hired Justin Fier as Managing Director of Impact Strategy to both coordinate our sustainability programming and to help us execute a new, impact-first investment strategy. Justin now heads our Sustainability Committee, which in 2022 took on a whole new array of challenges. Among others, these included:

- **Designing and implementing** an ESG Performance Management Framework (ESG-PMF) to better integrate sustainability considerations into our investment process and to help us measure the results.
- **Finalizing area-specific sustainability policies** with the help and support of our functional teams, especially our Forest Management Team.
- **Launching a “Diversity, Equity, and Inclusion” (DEI)** initiative to help TIR better understand how we can be more intentional about creating a diverse and inclusive work environment – one that will enable us to make better and more informed decisions around recruiting people who have different backgrounds and talents – people who can offer us fresh perspectives on how to assess emerging business and investment opportunities and challenges.
- **Identifying other organizations** with which TIR may wish to establish relationships to broaden our network of sustainability affiliations as well as our capacity to manage applicable business and investment risks and opportunity.
- **Building a more robust set of systems** and establishing procedures and protocols for tracking, managing, and reporting on or sustainability efforts to support our progress and associations with the Principles for Responsible Investment (PRI) and the Sustainable Forestry Initiative® (SFI).
- **Conceiving and producing this inaugural Sustainability Report** to explain our approach to managing applicable risk and opportunity, to recount our past efforts and accomplishments, and to offer insight on where we see our organization going in the future in relation to sustainability.

Our Core Values and Operating Principles

- F** Fulfill our fiduciary responsibilities to our clients by always putting their interests first.
- O** Operate with integrity, transparency, and accountability.
- R** Recruit and retain talented, self-motivated people and leverage their diverse backgrounds and perspectives to achieve thought leadership.
- E** Embrace an innovative, entrepreneurial, and inclusive mindset in support of our business and investment objectives.
- S** Serve our clients and society by practicing sustainable forest management and responsible corporate citizenship.
- T** Tap the creativity of our employees and prioritize and reward teamwork and collaboration.





Between our founding in 2003 and our decision to formalize a more robust commitment to sustainability in 2019, we focused primarily on addressing and mitigating the environmental impacts of our investment activities. This focus on forest sustainability was a logical extension of our status as a forest investment manager.



Protecting Sensitive Lands

TIR has always focused on practicing responsible and sustainable forestry on our clients' timberlands. Our goal has been to manage and operate these forests in accordance with the highest environmental standards of our profession while also optimizing their timber-productivity potential and capacity to generate long-term value.

In order to achieve these objectives, we work collaboratively with federal, state, and local authorities, as well as with conservation organizations, to protect lands under our management that have unique environmental, historical, or cultural attributes. These lands are routinely designated for special management and protection in our forest management plans. Those that merit permanent protection so they can be conserved and visited by the public, or so they can continue to provide critical wildlife habitat and other societal benefits, are designated for sale to governmental and non-governmental conservation organizations.



During TIR's first decade of operation, we established our "Conservation Asset Monetization Program" to facilitate such transactions. Our first, major sensitive lands transaction took place in 2008, when we worked with The Conservation Fund to sell a high-elevation, mixed-species forest on the Cumberland Plateau to the Tennessee Department of Environment and Conservation. That transaction established the permanent protection of this scenic forest and allowed the state to expand the existing Savage Gulf Natural Area and open it to the public for recreational uses.



Since that time, we have sold nearly 70,000 acres through our Conservation Asset Monetization Program by working with state and federal agencies and a variety of other conservation organizations, such as The Nature Conservancy and The Trust for Public Land. In this process, over 50 transactions have generated about \$110 million in revenue for our clients.



70k

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\$110M

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The Road from Here

The sustainability work we have conducted since 2019 enabled TIR to take a broader and more holistic approach to engagement – to move beyond our natural incorporation of managing the environmental, social, and governance impacts of our forest management and toward fully integrating these dimensions across our business.

Many of our peers are subsidiaries or divisions of large corporate entities that have expansive sustainability and ESG staffs focused on driving engagement and execution. In contrast, TIR's efforts are more integrated within our functional units. For instance, environmental considerations, while always a part of our acquisitions and portfolio management processes, are addressed within our Forest Management Team. Likewise, governance issues, especially those relating to compliance, reporting and transparency, are addressed within our Investment Analysis, Portfolio Management, Client Relations, and Financial Management Teams. Our future sustainability reports will update the progress we are making with these efforts, but one important innovation we initiated in 2022 was the creation of a proprietary ESG Performance Management Framework (ESG-PMF).



TIR's ESG Performance Management Framework (ESG-PMF)

In 2019, when TIR began building out a more formal and robust sustainability framework, we knew that effective performance management was a continual process of translating our Core Values, Vision, Mission, and Strategy into our day-to-day work. We also knew that deploying an effective framework could not be a linear exercise – something bolted on to our longstanding process for making investment decisions. It needed to influence both how we run our business and manage clients' portfolios. This meant putting sustainability at the center of how we operate and manage performance by creating our ESG-PMF.

We also recognized that our framework needed to align with the world's most respected standards for sustainability and Environmental, Social, and Governance engagement. This meant leveraging our affiliation with SFI and our status as a signatory to the PRI. It also meant aligning with the reporting standards of the Sustainability Accounting Standards Board, the Global Reporting Initiative, and the International Finance Corporation's Environmental and Social Performance Standards. Finally, we decided to leverage the Global Impact Investing Network's IRIS+ Core Metrics Set for forestry and linked our framework to the United Nations' Sustainable Development Goals (SDGs) Impact Standards, which were developed by the United Nations' Development Programme.

About the United Nations' Sustainable Development Goals and Impact Standards



The SDGs that TIR believes are most relevant and “material” for our business are 6, 8, 13 and 15. We consider these our “Primary” SDGs. We also have adopted 7 and 14 as “Secondary” SDGs.

The SDG Impact Standards were designed to provide businesses and investors with model management practices to help them make sustainability an integral part of their decision-making processes. They were not intended to provide a performance measurement or reporting framework. They were meant to establish criteria that would enable organizations to have confidence that they are systematically and holistically embedding sustainability considerations into their operational decision-making processes – and are thus contributing to the achievement of the SDG impact objectives.

The SDG Impact Standards are comprised of four baseline standards and “practice indicators” that help provide organizations with supporting guidance.





As with the SDG Impact Standards, TIR's ESG-PMF covers four areas: Strategy, Management Approach, Transparency or "External Reporting," and Governance. In order to embed a more intentional feedback loop of continuous improvement into the process, however, we expanded the management approach into three distinct parts: Operations, Internal Reporting and Learning. As such, our ESG-PMF has six elements – see above graphic.

Our reporting protocols provide us with an efficient way to communicate findings throughout the organization so we can improve our processes, better serve our investors, and ultimately achieve TIR's Mission, which is to "...provide our clients with innovative, forest-based investment offerings that optimize long-term performance while contributing to community resilience and environmental sustainability."

Our Performance Management Framework in Action

One of the most tangible ways in which we put our ESG-PMF into action is through a proprietary Due Diligence Tool. It enables us to address questions about the sustainability characteristics of prospective acquisitions by employing a quantitative scoring technique that is used to inform our decision-making process. This standardizes our approach for assessing sustainability risk and opportunity and allows us to compare investment options at a portfolio level. Additionally, it strengthens the knowledge base of those involved in our acquisition process with respect to the types of sustainability impacts that could influence the management and performance of our clients' assets. Lastly, it provides us with opportunities to adjust the array of factors we may need to consider going forward during the acquisition due diligence and forest management processes as new areas and types of impact emerge.

Overall, our ESG-PMF has helped TIR organize and assess a more robust collection of material non-financial information during the investment process – information that goes beyond the deep analytical work we have always performed on the environmental characteristics of the forest investments we make for clients.



III Our Priorities

As a result of TIR’s affiliation with SFI, the information and data we report to that organization each year provides a foundation for establishing and monitoring our progress against established sustainability Key Performance Indicators (KPIs).

These metrics are utilized to account for efforts that range from the routine to the unusual or exceptional. The metrics are integrated into our business at an operational level to ensure that management of sustainability issues is part of how we run our firm and execute our investment strategies. Many of our sustainability metrics are tied to the positive and negative “material” impacts we create through our activities, and they speak to both the risk profile of our clients’ investments and those of our business.



TIR’s Sustainability Priorities: Our Materiality Profile

Below are lists of the types of sustainability priorities and “material” issues and impacts that TIR is striving to monitor, measure and report upon.



Environment-Related Impacts

- Land, water, and wildlife
- Carbon emissions, output, and storage
- Energy usage, intensity, efficiency, and percentage from renewable sources
- Water usage
- Chemical usage and management
- Supplier/Contractor/Key Service Provider sustainability efforts



Social-Related Impacts

- Staff diversity
- Labor Law
- Indigenous Peoples Rights
- Average hourly wage
- Employee turnover rate
- Employee training and learning and development rates
- Workplace health and safety
- External community benefit and economic development indicators



Governance-Related Impacts

- Leadership team sustainability-related experience and expertise
- Management and staff training in ethics, anti-corruption, and other key sustainability factors
- Sustainability-related compliance incidents, penalties, and remediation efforts
- Sustainability-related litigation incidents and remediation efforts
- Cybersecurity incidents, operational risk management, and remediation efforts

What Matters and is “Material”

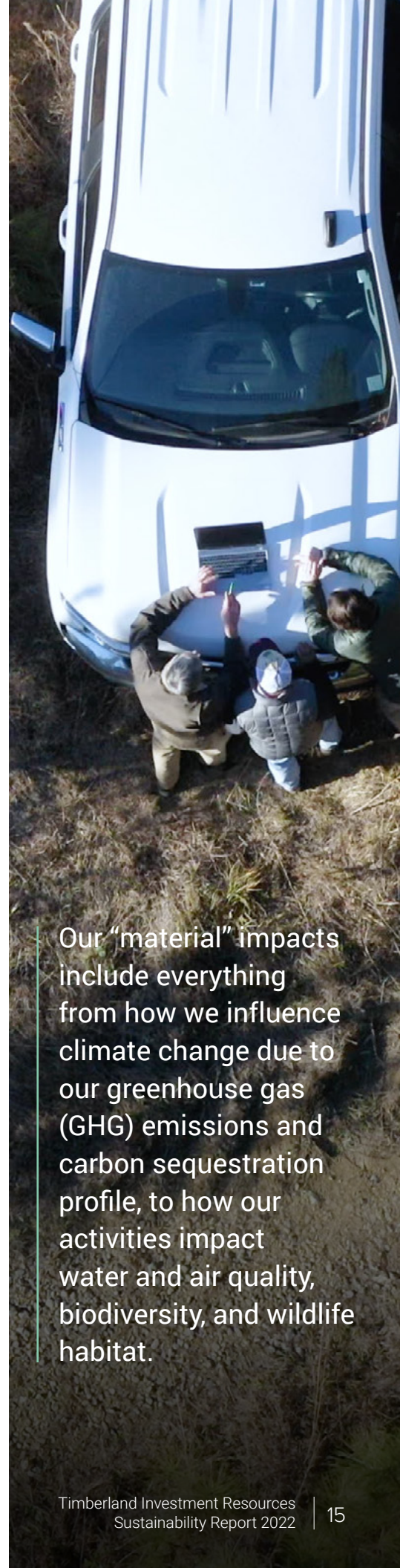
Materiality in a sustainability sense is the degree to which we as a firm impact the environmental, social, and governance dimensions of the areas in which we operate. Our objective is to use our understanding of these material impacts to reduce risk and capitalize on opportunities to preserve and create value for our clients.

Our “material” impacts include everything from how we influence climate change due to our greenhouse gas (GHG) emissions and carbon sequestration profile, to how our activities impact water and air quality, biodiversity, and wildlife habitat. They also relate to the work environment and conditions we create for our employees and partners, and to how we engage with our clients and other constituencies to ensure sound and transparent governance.

As was referenced earlier, TIR is in the process of evaluating and expanding its sustainability priorities with a goal of eventually adopting and formalizing several Key Performance Indicators (KPIs) across the three dimensions of our program. The data categories and points that likely will be used to establish these KPIs will influence the shape and contents of our future reporting.

Tracking Our Material Sustainability Impacts

Sustainability measurement is a cross-functional exercise that utilizes a wide range of metrics and data. This information relates to an organization’s sustainability profile, its value and supply chains, the experiences of its employees, its approach to ensuring sound governance, and how it manages and mitigates portfolio and investment risk. Sustainability reporting is complicated by the fact that levels of standardization are still being developed across the investment management sector and specific assets classes. Good examples of this evolving nature are the official clarifications continuing to be published in relation to the European Sustainable Finance Disclosure Regulation (SFDR) and the European Union’s Taxonomy requirements.



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Because of this uncertainty and complexity, as well as the multi-faceted expectations of investors and the organizations that have established measurement protocols, we are taking a comprehensive approach to tracking our performance. At the same time, we also have prioritized measuring and reporting on that performance in the simplest and clearest possible ways. We believe this will enhance our ability to communicate with our clients and other stakeholders. It also will enable us to limit the complexity of our sustainability reporting process by using standardized measures that have been developed by the market.

We believe this approach will help minimize our administrative burdens while aligning with our business strategy, which reflects the notion that sustainability engagement is an essential and natural extension of what we do and how we should operate as a firm.

The schematic below illustrates how we envision our sustainability goals linking with our future KPIs and how measurement and reporting on our KPI performance will be used to promote continuous improvement.





IV Our Affiliations



Below are descriptions of some of the formal and informal organizational relationships and associations TIR has cultivated and maintains in support of our sustainability efforts.

Sustainable Forestry Initiative (SFI)

TIR has been affiliated with the SFI since March of 2014. SFI is an independent, non-profit organization that collaborates with a diverse network of forestry professionals and organizations to provide solutions to local and global forest sustainability challenges. It demonstrates leadership on these challenges by developing and implementing responsible forestry standards to which its members

are obligated to conform. In addition, it actively promotes forest conservation, education, and community enrichment. Since 2018, TIR also has been represented on the SFI Standards Committee, which is responsible for reviewing, amending, expanding, and enhancing the organization’s measurement and auditing criteria. Wayne Anthony, Senior Investment Forester, serves as our SFI Coordinator and represents our firm on this body. We are proud of the work he and others have done, which

culminated in 2022 with the introduction of a new and expanded set of standards. These new standards include parameters for engaging with communities, other key forest stakeholders, such as indigenous groups, and contributing to forest-based efforts designed to mitigate the impacts of global climate change. In addition, Ross Pritchett, Senior Investment Forester, recently served as the Chair of SFI’s Georgia Implementation Committee.



State and Federal Best Management Practices

TIR also conforms with all applicable state and federal “Best Management Practices” (BMPs) for forestry practitioners in the areas in which we operate. BMPs provide forest landowners and managers with guidance on every aspect of forest management, from reforestation and the use of intensive silvicultural practices – like site preparation, fertilization, and herbaceous control – to harvesting and forest roadbuilding and maintenance. We see BMPs as an important, minimum level of environmental and social stewardship with which responsible forest managers and owners should conform and our objective in many instances is to not just comply with them, but to exceed them as circumstances and opportunity allow.

Principles for Responsible Investment (PRI)

In 2021, TIR became a signatory to PRI. Like SFI, PRI is a non-profit organization and the world’s leading proponent of responsible investment. It works to understand the investment implications of environmental, social, and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate, and ultimately, of the environment and society. PRI is an independent organization that encourages investors to use responsible investment principles and strategies to enhance returns and to better manage risks. As a PRI signatory, we are required to report on our investment activities and policies annually and these reports are graded by PRI. Companies deemed out of conformance in any given year are issued warnings and must file amended reports indicating how their issues of insufficiency will be addressed by working with PRI over the upcoming two years.

National Alliance of Forest Owners (NAFO)

TIR is an active member of the National Alliance of Forest Owners (NAFO), which is a national advocacy organization committed to advancing federal policies that ensure our privately owned working forests provide clean air, clean water, wildlife habitat, and jobs through sustainable practices and the creation and support of strong markets for forest-based products and services. NAFO Members commit to the sustainable management of private working forests as a condition of membership. As of December 2022, NAFO member companies owned and managed more than 46 million acres of private working forests – forests that are operated to provide a steady supply of timber as well as other products, services and resources that are of value to society. NAFO’s membership also includes state and national associations representing tens of millions of additional acres. TIR has been involved in all of these and many other initiatives as both members of the organization and by being represented on several of its committees. Tom Johnson, Managing Partner, Client Relations and Corporate Development, sits on the NAFO Board of Directors. In addition, Tiffanie Starr, our Managing Director of Acquisitions, plays a prominent role with NAFO, serving on its Operating Committee, which she chaired in 2022.

Local Initiatives Support Corporation – Rural LISC and NMSC

In 2022, TIR established a unique partnership with the Local Initiatives Support Corporation (LISC) – specifically with its subsidiaries, Rural LISC and the New Markets Support Company (NMSC). Founded in 1979 by the Ford Foundation, LISC is a nimble non-profit that forms and facilitates community-level partnerships that connect hard-to-access public and private resources, specifically the capital and organizational powers of governmental entities, foundations, endowments, and for-profit entities, with underinvested places. Its goal is to provide economic development and quality of life support to under-served areas. Rural LISC was established to channel this kind of support specifically to rural communities – like those in which TIR typically operates. Our partnership with LISC is still in its infancy, but our long-term objective is to work with the organization in support of our soon-to-be-launched “Rural Impact Fund.” This new investment vehicle will provide impact-first investors with a mechanism to promote long-term value creation and economic opportunity in areas that are characterized by persistent rural poverty, but that have untapped forest-based market potential.

LISC’s affiliated company, NMSC is an impact fund services firm dedicated to bridging the gap between investors and underinvested communities and enhancing the vibrancy and scale of the market. The organization supports aligned partners,

like TIR, with customized services to boost their capacity to advance equitable outcomes.

World Forestry Center

TIR has been a longtime and continuous supporter of the World Forestry Center (WFC), which is based in Portland, Oregon and which is focused on promoting and sustaining global support for the economic, ecological, and social benefits of the world’s forests. In addition to frequently sponsoring and participating in its educational programs, including its annual “Who Will Own the Forest?” conference, which is held each fall, Tiffanie Starr, Managing Director of Acquisitions for TIR, sits on the organization’s board, serves on its executive committee, and served as its past treasurer.

Public Agencies

TIR cultivates and maintains working relationships with a variety of public agencies. This includes local, state, and federal bodies, like the state departments of natural resources and state forest services as well as with the U.S. Fish & Wildlife Service, the U.S. Environmental Protection Agency, the U.S. Forest Service, the U.S. National Parks Service, and the U.S. Bureau of Land Management. Our work with these agencies often relates to our compliance with regulatory mandates governing forest management practices, but it also can include cooperative efforts that involve land transactions, wildlife habitat protection initiatives, and forest fire management and suppression campaigns.



State Forestry Associations

TIR is an active member of the forestry associations in the states in which we operate. These non-profit organizations provide guidance, education, and resources on a wide range of issues that have sustainability themes, including sustainable forestry practices; water, soil, and wildlife management; worker safety and migrant labor policy; chemical use; and community relations. As a result of being based in Atlanta, TIR is particularly active with the Georgia Forestry Association (GFA). Tiffanie Starr, our Managing Director of Acquisitions, coordinates our involvement with the organization and sits on the Board of Trustees of GFA’s philanthropic arm, the Georgia Forestry Foundation (GFF). Additionally, TIR Senior Investment Forester, Ross Pritchett, also is a past member of the GFA board and he remains actively involved with the association’s public outreach efforts. Finally, TIR Senior Investment Forester, Wayne Anthony, is the current President of the Tennessee Forestry Association.

Conservation Organizations

We also strive to work closely with mainstream private organizations, like The Conservation Fund, The Nature Conservancy, The Trust for Public Lands, the Southeastern Cave Conservancy, the American Bird Conservancy, The United States Battlefield's Trust, the state chapters of The Audubon Society, and local and regional land trusts. As was explained earlier, our work with these groups often involves the sale of sensitive lands that have public values. However, it also can entail designing and executing joint recreational initiatives. For instance, TIR is working with Georgia Audubon and the Georgia Forestry Foundation on a program that is providing bird watchers with increased access to privately owned working forestlands in Georgia.



Academic and Research Organizations

TIR has worked with a number of academic institutions, specifically colleges and universities, to support research and educational efforts that pertain to our business and investment focus. This can include collaborating with university forestry programs to provide property access for things like tours, wildlife habitat and reproduction studies, and forest productivity and climate change research. It also can include engaging with students and staff regarding our business and the forest investment sector. We undertake such efforts to advance the science of wildlife, forestry, water, air, and climate change research, but also to obtain priority access to the findings generated by such efforts. This enables us to make better informed decisions about how we manage and operate our clients' forest assets. Among the groups we have worked with in the past are the following: NC State University College of Natural Resources and Duke University – Nicholas School of the Environment. TIR is a particularly strong supporter of the University of Georgia's Warnell School of Forestry and Natural Resources and

Tom Johnson, Managing Partner, Client Relations and Corporate Development, sits on the board of its Center for Forest Business. In addition, Wayne Anthony, Senior Investment Forester, serves on the Forest Sustainability Task Force of the National Council for Air and Stream Improvement (NCASI), and David Preston, Senior Investment Forester, serves on its Biodiversity Task Force. NCASI is a research organization devoted to helping members, which mostly include forest industry and forest management organizations, cost-effectively meet their environmental and sustainability goals through basic and applied research, technical support, and education. Finally, Chris Jones, our Controller for Client Reporting, currently serves as the chair of the National Council of Real Estate Investment Fiduciaries' (NCREIF) Timberland Investment Committee. NCREIF is a non-profit organization that is focused on providing the investment community with comprehensive and transparent data on the performance of a variety of commercial real estate-based asset classes to support investors' analyses and benchmarking activities.

v Our Reporting Dashboard: Key Sustainability Metrics for 2022



100%
Employee Owned



\$2.1B
Assets under Management



17
Funds/Separate Accounts



848k
Acres of Sustainably Managed Timberland



121
Institutional and High-Net Worth Clients



Environment

99.4%
Acres under 3rd Party Sustainable Certification

100%
Acquisitions for which Environmental Site Assessment and T&E Species Reports were produced

8.5M
Trees Planted on Lands Managed

3.1k
Miles of Streams Protected by Best Management Practices

97.1%
Properties Upon Which Climate-Impact Analyses were Conducted

71.9
Million Metric Tons of Carbon (tCO₂e) Stock Across Merchantable Productive Area



Social

89
Jobs at TIR and Supply Chain Activities

\$90.1k
Funding Allocated for Staff Training

\$35.9k
Funding Allocated for Community-Related Initiatives

100%
Lands Managed that Offer Recreational and/or Cultural Access

0/0
Number of Occupational Injury-Related Hospital Visits/Fatalities

0
Reported Violations of Human/Labor Rights or Anti-bribery/corruption/money-laundering



Governance

14
Years of Average Tenure Among Senior Leaders

8%
Women Holding Senior Leadership Roles (39% Across all Staff and Contractors)

8%
BIPOC Individuals Holding Senior Leadership Roles (15% Across all Staff and Contractors)

11
Observations of Good Management Practices as Noted by SFI Auditors

2/0
Opportunities for Improvement/Nonconformities as Noted by SFI Auditors

VI **E** Environmental Activities

Protecting Sensitive Lands

In the summer of 2022, TIR sold 3,243 acres in the Central Sands region of Wisconsin to The Nature Conservancy, which acquired the lands to protect, preserve and enhance their biodiversity characteristics.

These lands provide habitat for a variety of important native plant communities and wildlife species, including the Kirtland's Warbler and the Karner Blue Butterfly – both of which have been designated as federally endangered. Creating and capturing a full range of values from our investors' forests is a major focus of TIR's investment strategy and our Central Sands region transaction was just the latest in a long line of others we have executed since 2008 through our "Conservation Asset Monetization Program," which is a centerpiece of our market-based sustainability agenda.



Protecting At-Risk Species

Being a responsible land steward means recognizing that forests are biological systems that have value beyond their capacity to produce high-quality, renewable timber products. Sustainable forest management also entails protecting and enhancing habitat for at-risk species. In the recent past,

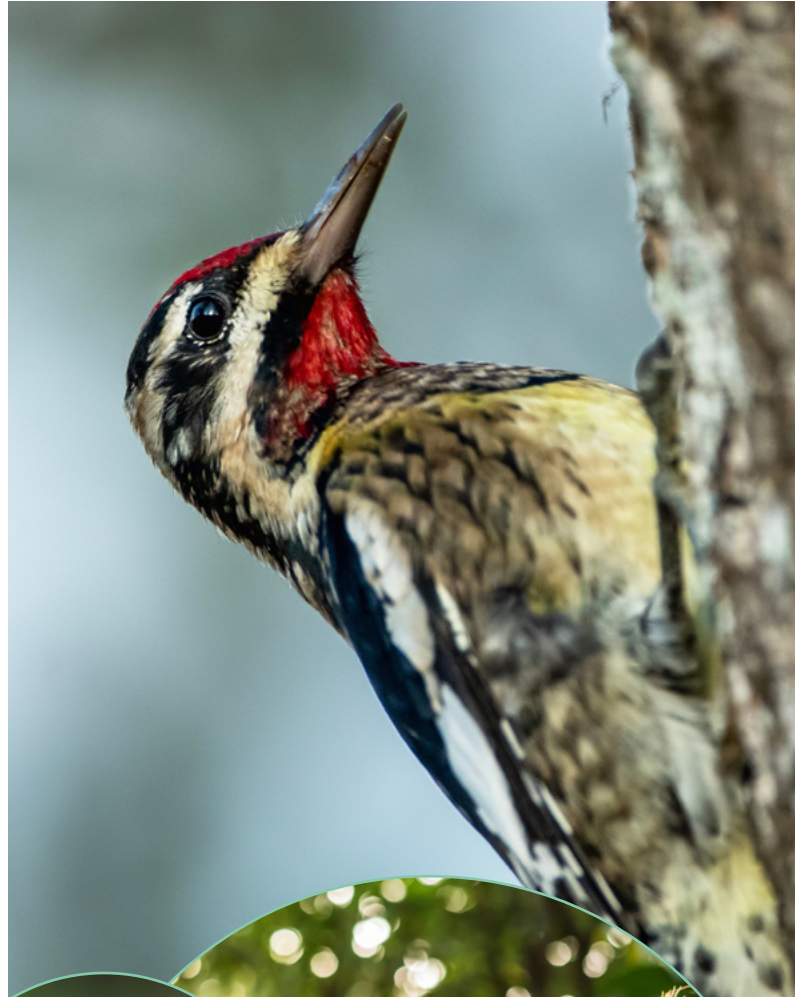
- TIR has partnered with the New York Department of Natural Resources and Conservation to limit forest management activities in areas that provide critical mating habitat for an isolated population of the state-listed eastern timber rattlesnake.
- In East Tennessee, we worked with the U.S. Fish & Wildlife Service to enhance habitat and migratory passage for an at-risk fish species, the Laurel Dace, by installing wide-mouth culverts in a high-elevation mountain stream that is a critical spawning area.
- Between 2019 and 2021, we worked with the U.S. Fish & Wildlife Service to voluntarily inventory gopher tortoise populations on lands we manage throughout the U.S. Southeast. This effort of cooperative conservation, which also included other prominent forest owners, managers and conservation groups, helped confirm that the gopher tortoise, which is a critical indicator species of forest health, lives on private lands in much of the South in numbers sufficient to ensure its future resilience and survival.





Promoting Winged Biodiversity

Birds, bats, and insects are often indicator species of forest health because their presence can help support and sustain biodiversity. In the case of birds, raptors like hawks, eagles, and owls, can help control rodent and small mammal populations, which can damage forest ecosystems. Likewise, songbirds, picidae (woodpeckers, sapsuckers, and other tree-boring species) and bats play critical roles in helping to sustain forest health. They do this by spreading seed and helping to control insects that have the potential to damage both hardwood and softwood trees. Finally, bees are essential for supporting plant biodiversity and soil health because of the critical role they play as pollinators. In addition, for certain species of mammals, including bears and weasels, bee larvae and honey also serve as important sources of food. In recognizing the contributions these species make to forest health, TIR supports and promotes winged biodiversity on the lands we manage. In 2022, we helped initiate a program in our home state of Georgia that was jointly conceived by Georgia Audubon and the Georgia Forestry Foundation to encourage bird conservation and bird watching on privately owned working forestlands in the state. In addition to serving as the program's lead sponsor, we pledged to make the lands we manage in Georgia and elsewhere more accessible to birders and bird researchers who are studying the influence of avian species on forest-based ecosystems.



In recognizing the contributions these species make to forest health, TIR supports and promotes winged biodiversity on the lands we manage.



Creating Forest-Based Carbon Sinks and Producing Carbon Credits

Forests absorb and store vast amounts of carbon dioxide through the process of photosynthesis, the biological function that drives plant and tree growth. As a result, sustainably managing our forests, and creating new ones, are key elements of the world's strategy for mitigating climate change. In 2022, TIR began to develop a strategy to develop carbon projects on some of the lands we manage for our clients. Timberlands that offer sub-optimized timber revenue potential due to weak or sluggish markets, are primary targets for such projects. In 2020 and 2021, we developed and sold carbon offset credits in the voluntary carbon market from clients' portfolios, and in 2022, we launched a more ambitious effort to develop a turn-key method for computing carbon storage on their lands. In the future, we hope to play a role in helping to address the biggest challenge currently facing the forest-based carbon credit market – the lack of consistency and transparency in carbon accounting methods and how they are applied. These challenges are being carefully studied by both carbon market sponsors and participants and new carbon accounting methodologies are being developed and evaluated – some of which could offer the potential to create greater uniformity and transparency. We are supportive of these efforts because we believe the work will benefit forest investors, including our clients, by helping to establish new ways of determining project-level credit volumes and assessing the relative quality of credits that are being offered by competing forest-carbon projects.



In 2022, TIR began to develop a strategy to develop carbon projects on some of the lands we manage for our clients.



VII **S** Social Impact Activities

130 jobs
created for skilled and
unskilled laborers.



Building a Sawmill that Promotes Economic Growth

In many rural communities in the United States, the forest products industry is a significant employer and driver of economic opportunity. In the fall of 2022, our Mission Forest Products sawmill at Corinth, Mississippi test ran its production line for the first time, and it is expected to reach full capacity in 2023. This facility, which has been under construction since 2021, will have an output of 250 million board feet of lumber, which will make it one of the largest and most technologically advanced sawmills in the U.S. South. The mill will run on two shifts and make use of locally grown timber, much of it sustainably grown and managed under leading forest certification frameworks. From an economic development standpoint, the state of Mississippi and the city of Corinth will benefit from the mill's presence. Its operation will generate increased tax revenue and business activity and create 130 jobs for skilled and unskilled laborers.

It also will support ancillary employment for those who provide forestry, logging, silvicultural and trucking services to enable its operation.

To create these opportunities, TIR and the management of Mission

Forest Products have been working closely with groups like the office of Mississippi Governor, Tate Reeves; the

Mississippi Development Authority; the Alliance of Corinth; the City of Corinth; the Alcorn County Board of Supervisors; the Appalachian Regional Commission (ARC); and the Tennessee Valley Authority (TVA).





Launching a Diversity, Equity, and Inclusion (DEI) Initiative

One of TIR's most important sustainability initiatives in 2022 was the launch of an effort to advance our level of understanding and engagement around the issues of diversity, equity, and inclusion in our workplace. This ongoing initiative included the development and approval of a new DEI policy. It also included a daylong workshop for our Leadership Team as well as an initial, all-staff educational session, which was designed to emphasize how and why DEI matters to TIR, what our DEI platform and programming will look like, and what the organization can expect in the way of action on this initiative in the days to come. Both sessions were accompanied by in-depth readings and were facilitated by a prominent DEI consultant, Kelly Cooper, who also has been working closely with other elements of the forest industry in both the U.S. and Canada (centreforsocialintelligence.ca).

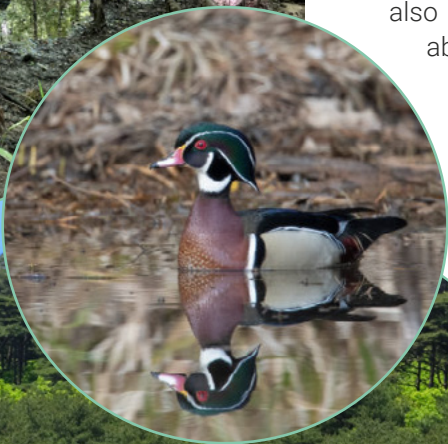
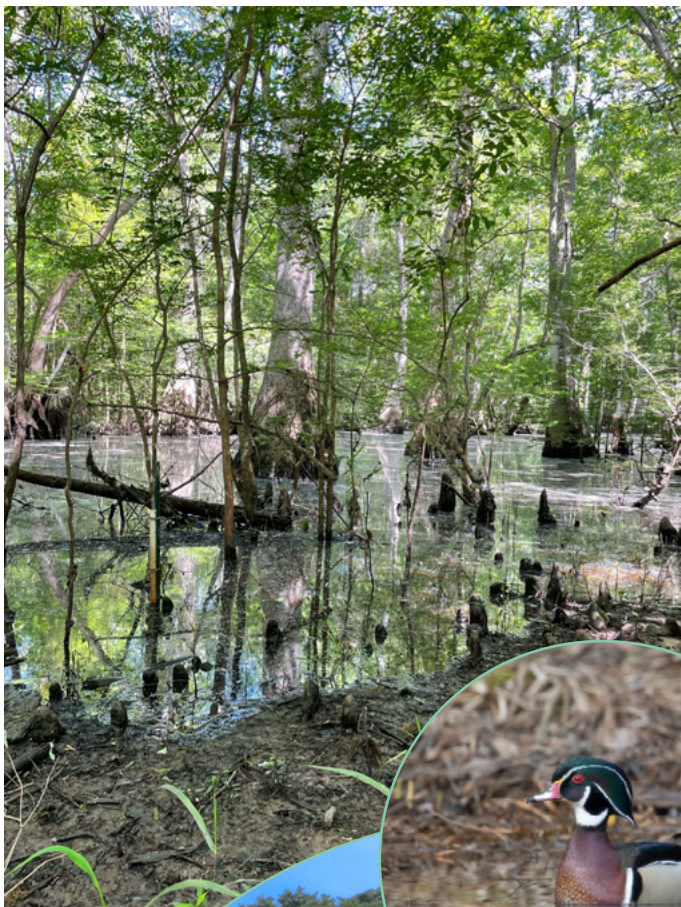
TIR also is working with the U.S. Endowment for Forestry and Communities (usendowment.org) to help develop a National Action Plan to further the DEI objectives of the forest sector, in general, which has traditionally struggled with these issues. We are represented on the organization's Inclusion Council (see accompanying photo) along with senior executives from the pulp and paper, solid wood, and renewable energy industries as well as the government, the conservation and non-profit sectors, indigenous organizations, academia, and the forest investment and management communities, among others. The goal of this effort is to increase the number of individuals working in the forest sector who are members of demographic groups that traditionally have been under-represented. The Inclusion Council has been tasked with providing strategic advice on how to accomplish this objective.

At TIR, DEI is about providing equal access to opportunity to all those who have the interest and qualifications to support our business and investment objectives. In short, it is about values that include treating everyone with courtesy and respect, ensuring that everyone has access to opportunities for growth and advancement, and making teamwork and belonging a core part of what it means to work for TIR.



The U.S. Endowment for Forestry and Communities Inclusion Council

At TIR, DEI is about providing equal access to opportunity to all those who have the interest and qualifications to support our business and investment objectives.



Developing Solar Energy Infrastructure and Environmental Mitigation Banks

TIR's investment activities focus on managing our investors' forestlands to optimize their revenue generation potential. In recent years, we have begun engaging with solar energy infrastructure and environmental mitigation bank opportunities on some of our clients' lands. Our investors benefit from these efforts because they provide new sources of diversified revenue from generating fees and the sale of mitigation credits. However, the communities that host these projects also benefit. Our solar projects provide additional renewable energy generation capacity to local power grids.

The energy they produce also can be dedicated to powering service and research data and development centers, logistical hubs, manufacturing facilities and retail outlets, owned by companies like Wal-Mart, Microsoft, Apple, and Google. By ensuring that these communities and entities have access to adequate amounts of clean energy, we can help support regional job and economic growth – often in areas that are in dire need of both due to their rural or semi-rural characteristics. We also can have a positive impact on local air quality by executing such projects because they can lower CO₂ emissions. Likewise, when TIR develops a wetland mitigation bank on a client's property, this can not only enhance water quality in the region but also incentivize commercial and residential developers to launch new projects in the surrounding communities. This is because the ready availability of high-quality mitigation credits can be purchased by developers to offset their environmental impacts, which can otherwise undermine or compromise their projects.

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Solar option and lease agreements under contract with nearly 3.5 Gigawatts of electrical power output tied to these agreements



VIII **G** Governance Impact Activities

Sustainability Policy Framework and Reporting and Governance Enhancements

Since our founding in 2003, TIR has emphasized the importance of meeting our fiduciary obligations to our clients by managing their investments solely in their interests and with the highest levels of honesty and integrity. With the adoption of our new ESG-PMF, we have instituted a process for achieving continuous improvement in relation to both our internal reporting and governance practices. These efforts are meant to tighten and focus how we account for and report on investment-related matters to our clients, to enhance our systems and processes for doing so, and promote and expand our entire organization's understanding of our governance responsibilities and how we will fulfill them. Our ultimate objective is to establish standards for governance and reporting that become a benchmark within the timberland investment management sector.



Establishing a Cross-Functional Sustainability Committee

In 2019, TIR recognized a need to expand and extend its approach to sustainability engagement. The first step in this process was establishing a Sustainability Committee to take stock of the organization's past efforts and to chart a course for the future. As was explained earlier in this report, this work led to a variety of new initiatives that have helped bolster our sustainability programming. Perhaps most importantly, however, the TIR Sustainability Committee has helped heighten our awareness of how the investment community is responding to the expectation that its members, ourselves included, operate in accordance with strong sustainability principles. It also has helped us take stock of our own strengths and weaknesses and develop new ways to leverage and address them. Finally, the Committee's work has helped us reaffirm our commitment to operating with honesty, integrity, and transparency. All of this is reinforcing our instincts as an organization that highly values sound governance while striving to set the bar even higher for our future performance as a leading forest investment manager.





Engaging with Governance Stakeholders

In addition to complying with the mandates of the PRI and those of SFI, TIR also belongs to other organizations that play key roles in defining our approach to business and organizational governance. One of these is the National Council of Real Estate Investment Fiduciaries (NCREIF). We have been an active member of NCREIF since TIR's inception and representatives from our team have served in important leadership roles with the organization, which tracks and provides sector return data to the marketplace to promote investment performance transparency for the benefit of timberland investors. As was mentioned earlier in this report, Chris Jones, our Controller, Client Reporting, currently serves as the chairperson of the NCREIF Timberland Committee.

Finally, as was also explained earlier, we also support the efforts of the National Council on Air and Stream Improvement (NCASI), which provides foundational scientific research in support of sustainable forest management on privately owned and operated timberlands. By being actively involved with these and other such organizations, TIR subjects itself to their scrutiny and agendas, which emphasize the responsible management of working forests and fulfilling a firm's fiduciary responsibilities to one's investors with transparency and integrity.



TIR's Area-Specific Sustainability Policies

TIR's Sustainability Committee has helped the firm establish an initial set of nine, area-specific policies to help frame and guide our approach to sustainability implementation.

These include the following:

E Environmental Policies

- 1 Air and Climate Quality
- 2 Water and Soil Quality
- 3 Wildlife Habitat

S Social Policies

- 4 Fair Labor and Contract Worker Well Being
- 5 Aesthetic, Cultural, and Historical Attributes
- 6 Community and Stakeholder Relations
- 7 Diversity, Equity, and Inclusion

G Governance Policies

- 8 Grievances
- 9 Standards

In an effort to further strengthen our sustainability commitments, we have established our own, area-specific policy framework. Over time, as our business evolves and as our approach to sustainability engagement matures, we expect more such policies will be added to this roster. However, we believe this initial set provides a strong foundation for TIR to make meaningful progress on a range of issues over the coming years.



IX Epilogue



Lessons Learned in 2022: A Message from Justin Fier, Managing Director of Impact Strategy

In 2019, TIR embarked on an initiative to deepen its commitment to sustainability engagement. In the three years since, we have learned a great deal about ourselves as an organization, the changing environment in which we operate, and the evolving expectations of the investors we serve.

This report represents another step along that path. We have used the last three years to strengthen our sustainability foundation by making it an even more integral part of how we conduct business and invest. We understand however, that continuous improvement of the dimensions that are most relevant for our business and clients requires continuous effort.

As the person now responsible for coordinating this programming, as well as for the execution of our new “Impact Strategy,” I am realistic about the fact that deepening an organization’s level of engagement is a long, intentional walk, not a short sprint. I am also excited about the progress we have made in such a short time and the progress I know we will continue to make in the years to come.



As an independently owned and operated forest investment firm, one whose investment strategy focuses less on achieving critical mass in any given market and more on opportunistically investing in smaller and more dispersed assets, TIR can take a more granular approach to sustainability engagement than do many of our peers. This means many of our activities will have a lower profile and more concentrated community impact. We have learned that telling this kind of story can be challenging because while we are proud of our accomplishments, including the success of things like our “Conservation Asset Monetization Program,” it is important to keep such activities in perspective, especially when communicating about them publicly.

Like any organization that has embraced the notion that engagement requires a commitment to continuous improvement, we at TIR recognize that our work goes on. As we look to the future, we have a few specific objectives in this regard. These include:

1. Being more efficient about sharing sustainability-related lessons internally to help us better manage our clients’ properties and portfolios.
2. Collaborating more intentionally with our Forest Service Providers so we are proactively executing on our sustainability objectives.
3. Devising and supporting more effective ways to monitor and promote the practice of sound environmental and social stewardship on working timberlands in collaboration with other forest owners and managers.
4. Determining how best to strengthen and amend our sustainability goals and benchmarks in response to our evolving management circumstances.
5. Being more innovative about how we can attract more diverse people and perspectives to the forest management sector and the forestry-related professions, in general.

Regardless of whether we are talking about our sustainability or our specific ESG impacts, our goal in every instance is to be honest, authentic, and measured – to communicate in a direct and understated way without unnecessarily amplifying, or unduly downplaying, the significance of our activities. In short, we simply hope to be judged based on our intentions, actions, and results.

Thank you for your interest.

Sincerely,

Justin J. Fier
Managing Director, Head of Impact Strategy



We would very much welcome your feedback on this inaugural Sustainability Report.

As our Senior Leadership Team noted in their introductory letter to this report, you can share your thoughts, observations, and suggestions by emailing fier@tirllc.com.



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