



# ESG CORPORATE STRATEGY

ENVIRONMENTAL

SOCIAL

GOVERNANCE



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## Molpus ESG Mission Statement

Molpus strives to be the most reliable, most trustworthy investment partner for timberland investors. At Molpus, we use environmental, social, and governance principles and key performance indicators to realize these goals and support sound land stewardship—ESG drives everything we do. We will always be appreciative of and loyal to customers who place their belief in us. We view that confidence as a sacred trust, and we see ESG as critical to earning and maintaining that trust.

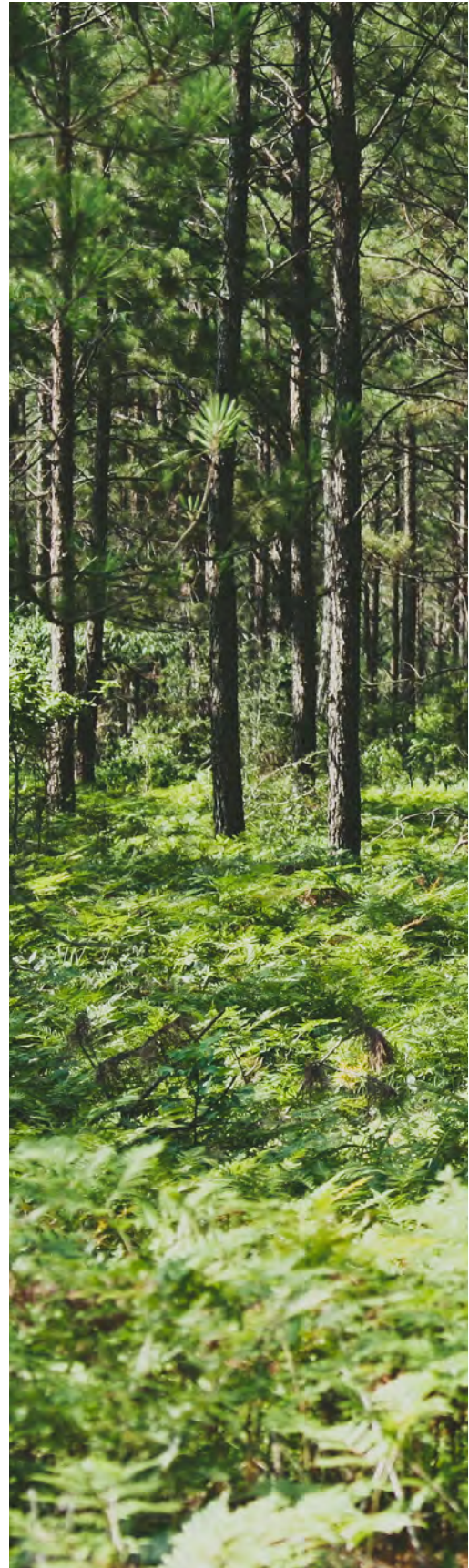


## Molpus ESG Corporate Statement

Molpus Woodlands Group, LLC (Molpus) incorporates environmental, social, and governance (ESG) policies and practices into investment analysis and decision-making. We are active landowners who seek appropriate disclosure on ESG issues from all the major entities in which we invest or with whom we partner.

We are committed to reporting on activities and progress towards implementing sound ESG policies. We know that today's investors, both institutions and individuals, are making the connection between ESG performance, creating value, and reducing risk. Our strong ESG performance makes us more efficient and less wasteful.

As part of our commitment to ESG principles, Molpus has become a signatory to the United Nations-supported Principles for Responsible Investment (PRI). The PRI is a leading proponent of responsible investment. Being a signatory demonstrates our long-standing commitment to sustainability in everything that Molpus does.



Molpus ESG Policy:

# ENVIRONMENTAL

Molpus is committed to sustainable forestry and sound stewardship practices. Being a good steward of the land is crucial for the long-term success and future growth of our business. The viability and success of our timberland investments are contingent upon the management of our forests on a sustainable basis. We also recognize the importance of land-based solutions and healthy forests in climate change mitigation and carbon sequestration.



## **SUPPORTING PRIVATE WORKING FORESTS IS ESSENTIAL**

Private working forests, such as those we manage, are a fundamental part of the underlying infrastructure of the United States. They produce renewable, recyclable, and reusable wood and paper products society wants and needs, absorb and store carbon, produce clean water and air, sustain vital biodiversity, provide quality recreation experiences, and supply a growing resource for renewable energy.

## **CERTIFIED FOREST MANAGEMENT PRACTICES**

Our commitment to ESG principles is demonstrated by our third-party certification and continuous improvement in all of our management practices. All of Molpus's forest assets are certified to the Sustainable Forestry Initiative (SFI) Forest Management Standard, which is recognized by the globally-recognized Programme for the Endorsement of Forest Certification (PEFC). Where beneficial to the investment, additional certification to the Forest Stewardship Council (FSC) standards is also obtained. These third-party certification programs are among the most comprehensive standards for sustainable forestry.



## MANAGEMENT SYSTEMS GROUNDED IN SOUND, FUNDAMENTAL PRACTICES

- Molpus uses qualified natural resource professionals to manage our forests. These professionals have completed SFI-approved training programs focused on important issues like water quality and enhancing biodiversity.
- Molpus ensures long-term sustainability and productivity of forests through timely regeneration and application of the best cost-effective silvicultural treatments and practices to protect forest health from insects, pathogens, fire, and non-native, invasive species.
- Our state-of-the-art geographic information system and ongoing forest inventory and planning processes are essential for sound management decisions and long-term planning.
- Molpus collaborates with industry partners and associations on forest-related conservation and policy initiatives.
- Our operations meet or exceed state best management practices (BMPs) and comply with all local, state, or federal laws and regulations governing water quality.
- In addition to timber production, forests are managed to improve the quality and distribution of wildlife habitats, contribute to the conservation of biodiversity at the stand- and landscape-levels, and provide outdoor recreation benefits.
- We allocated 1,431 staff hours in 2020 to do advocacy work for the sustainable management of working forests.
- Molpus internally monitors for compliance and continuous improvement of its systems.



## Molpus ESG Policy:

# SOCIAL

Molpus goes well beyond merely complying with all applicable federal, state, and local laws and regulations. These laws include social laws, such as those covering civil rights, equal opportunities, anti-discrimination and anti-harassment measures, workers' compensation, workers' and communities' right to know, prevailing wages, workers' right to organize, and occupational health and safety. Molpus gives employees a voice at the table when important decisions are made, and we encourage anonymous reporting of practices that run counter to our ESG principles. Molpus also recognizes and respects the rights of Indigenous peoples by collaborating with them.

### SUPPORT FOR LOCAL COMMUNITIES

Molpus has always used local sources and supported small businesses in our supply chain. Molpus has a long-standing buy-local procurement preference, using local vendors and service providers whenever possible. The majority of our procurement activities happen at the local level. Local firms with small numbers of employees benefit from our procurement practices. In addition to the positive impact of procuring locally, the timberlands we own and manage provide benefits to local economies as a source of raw materials for area sawmills and pulp and paper manufacturing facilities. Local communities also enjoy recreational opportunities on these timberlands.

Molpus employees live locally and are aware of the surrounding community's needs and goals. Employees are encouraged to be actively involved in their community by participating in community events, associations, and boards, in addition to school outreach and various public education opportunities. Molpus employees are encouraged to take advantage of two days of paid annual leave to engage in volunteer activities. Molpus also formally supports the American Cancer Society with corporate giving.

### THE POWER OF EDUCATION AND INTERNSHIPS

Molpus has a partnership with five universities to help bring further diversity to the forestry management profession targeting students in underrepresented populations within certain majors with a preference to support financial need. The five universities partnering with the program are MSU, the University of Southern Mississippi, Jackson State University, the University of Kentucky, and the University of Georgia. These universities are in some of the country's most forested states, with rich histories and strong forest communities. The scholarships are available to students in forestry, GIS, paralegal studies, and business.

Molpus Founder and Chairman Dick Molpus has a core belief in the power of education. Dick Molpus and his family are advocates of public education and provide financial support to many institutions annually through The Dick Molpus Foundation, which was established in 2008.

To encourage interest in forestry among underrepresented populations, the Foundation established an annual forestry scholarship at Mississippi State University (MSU) in 2013 for students from underrepresented populations. These scholarships also provide for a summer internship with our company.

Molpus has a history of providing internship opportunities in areas such as forest management, GIS, inventory, accounting, and legal. Molpus has provided 71 internships since 2003 in the areas of GIS, inventory, and paralegal work.



Molpus is an equal opportunity employer that is striving to build a more diverse and gender-balanced workforce. We treat everyone—employee, customer, vendor, and anyone with whom we do business—fairly and without regard to race, color, creed, religion, age, national origin, disability, genetic information, pregnancy, military service, or veteran’s status, or any other factor protected by law. This policy is an integral part of who we are as a company, and it is continually evolving to ensure Molpus remains a leader in diversity, equity, and inclusion.





Molpus ESG Policy:

# GOVERNANCE

All Molpus employees, officers, directors, and agents conduct themselves ethically and in adherence to all relevant laws and regulations, and in line with Molpus's fiduciary duties to its clients. Molpus uses governance structures that provide appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest, to align the interests of owners and management. A rigorous selection and vetting process ensures the board of directors and executive leadership is of the highest caliber.



## MOLPUS EMPLOYEE ETHICS AND OVERSIGHT

- 1 — At all times, place the interests of clients first while appropriately considering the environmental and social impacts such conduct may cause.
- 2 — Conduct personal securities transactions in a manner that is consistent with the Molpus Code of Ethics policy to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility.
- 3 — Never take inappropriate advantage of positions.
- 4 — Client information concerning the identity of security holdings and their financial circumstances must be kept confidential.

## MOLPUS RESPONSIBLE INVESTMENT POLICY

The Molpus Responsible Investment Policy underpins our approach to ESG. The policy is based on six core principles to ensure market and sustainability best practices are followed.

- 1 — Comply with environmental, social, health and safety laws, regulations, and certification standards as a starting point for supporting ESG policies and activities.
- 2 — Enhance biodiversity conservation in accordance with globally recognized third-party forest management certification standards and principles.
- 3 — Respect and uphold human rights across all operations.
- 4 — Provide ESG training programs at all levels of the company.
- 5 — Prioritize local hiring and community engagement.
- 6 — Report ESG performance clearly and transparently.







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