

MOLPUS WOODLANDS GROUP

2022

Annual Sustainability Report



MOLPUS
WOODLANDS GROUP®

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*Unless otherwise specified, the information in this report pertains to the employment, investment, and other activities of Molpus Woodlands Group, LLC (Molpus), an investment advisory firm. The ESG policies, principles, and initiatives discussed herein do not necessarily relate to the investment strategy of any particular product or service offered by Molpus. You should consult the appropriate offering documents to learn more about how the activities discussed in this report may relate to a specific product or service.

MESSAGE FROM OUR PRESIDENT

I am pleased to share the Molpus Woodlands Group 2022 Sustainability Report. This is our second annual sustainability report, which illustrates our continued commitment to sustainable forest management.

It is my great pleasure to share this sustainability report with you as President of Molpus Woodlands Group. My appointment in August and additional enhancements to our senior leadership team are discussed in detail in this report's governance section.

At Molpus Woodlands Group, we believe today's investors are making the connection between a company's commitment to environmental, social, and governance (ESG) principles and its ability to create sustainable value and reduce risk whenever possible. We believe our strong ESG performance has positive implications for the environment, the communities we live and work in, and the future of Molpus. This sustainability report outlines our commitment to ESG and how we responsibly manage our forests and our overall business in the interests of our investors and the rural communities and natural ecosystems that rely on them.

As someone with deep roots in forest stewardship, I am excited to see how nature-based solutions are taking a more prominent role in the fight against climate change. Current science reveals that planting and maintaining healthy forests to absorb and store carbon is a powerful nature-based solution to a variety of environmental problems.

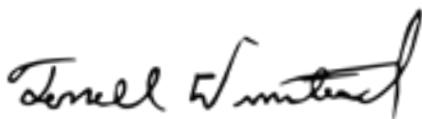
Our sustainability report also shows how we directly support 10 Sustainable Development Goals (SDGs) of the United Nations Principles for Responsible Investment (PRI), up from five in 2021. This increased support reflects our continuing efforts to expand our support for SDGs as a powerful way to deepen our commitment to sustainability.

The PRI is the world's leading proponent of responsible investment, working to understand the investment implications of ESG factors while supporting its international network of investor signatories, such as Molpus, in incorporating these factors into their investment and ownership decisions.

We are also working toward officially supporting the Task Force on Climate-Related Financial Disclosures (TCFD). The G20 Financial Stability Board created the TCFD to develop recommendations on the information that companies should disclose to assess and price specific risks related to climate change. We support the view that the success of the TCFD recommendations depends on widespread adoption by companies like Molpus in the financial and non-financial sectors.

In my new role I'm proud to be leading a team at Molpus that is committed to delivering value while exhibiting good stewardship of the forests and the environment we all share. I trust that this sustainability report provides insights into how we are incorporating our stewardship roots into actionable strategies to continue making a positive impact through our sustainable, nature-based forest management business.

Sincerely yours,



TERRELL WINSTEAD, PRESIDENT
Molpus Woodlands Group, LLC



OUR PUBLIC COMMITMENT TO SUSTAINABILITY

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

As part of our commitment to ESG principles, Molpus is 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 sustainable forest management.

Molpus ESG Mission Statement

Molpus strives to be a reliable, trustworthy investment partner for timberland investors. At Molpus, we use environmental, social, and governance (ESG) principles and key performance indicators to realize these goals and support sound land stewardship.

We will always be appreciative of our clients 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.



OUR RESPONSIBLE INVESTMENT POLICY ADDRESSES THE PROMISE OF ESG

ESG considers a company's environmental, social and governance practices. Molpus looks at ESG along with conventional financial indicators. Our responsible investing involves strategies designed to address market and sustainability best practices and actively avoiding investment opportunities that fail to meet these guidelines.

The Molpus Responsible Investment Policy is based on six core principles:

- 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 policies.
- 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.



MOLPUS AND NATURE-BASED SOLUTIONS

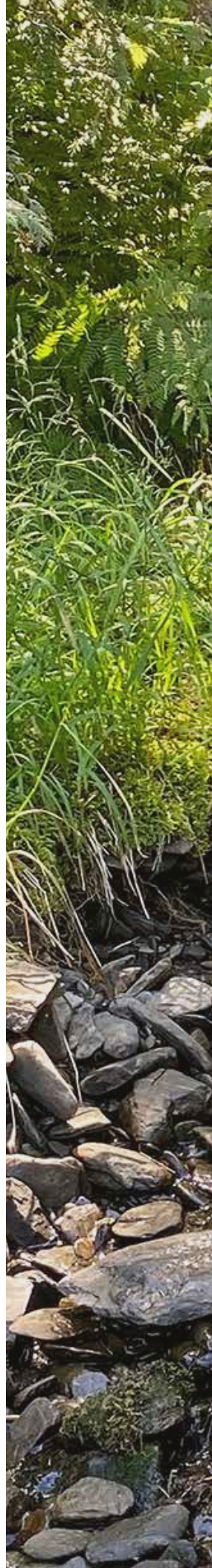
Molpus is encouraged by the rise of nature-based solutions in discussions about major challenges like climate change, wildfires, and biodiversity loss. We believe that sustainable forestry is, by definition, a nature-based solution to these and so many other sustainability challenges the Earth faces.

Nature-based solutions come in myriad forms. Consider this common example: restoring forests along rivers to filter sediment and maintain water quality is an accepted best practice in sustainable forestry. These same forests not only protect water quality but also act as a carbon sink to help mitigate climate change—an example of a nature-based solution in action.

We expect 2023 to see a marked acceleration in interest from investors in nature-based solutions.

“Estimates suggest that nature-based solutions can provide 37% of the mitigation needed until 2030 to achieve the targets of the Paris Agreement.”

THE WORLD BANK



“

Nature-Based Solutions leverage nature and the power of healthy ecosystems to protect people, optimize infrastructure, and safeguard a stable and biodiverse future.

**INTERNATIONAL UNION FOR
CONSERVATION OF NATURE**

MOLPUS DIRECTLY SUPPORTS 10 UN SDGs

“The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. **At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries—developed and developing—in a global partnership.** They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth—all while tackling climate change and preserving our oceans and forests.”

UNITED NATIONS DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS



UN SDG 3

GOOD HEALTH AND WELL-BEING

- **Across Molpus’s forestlands, 99% are open for public recreation.**
- **Molpus’s forestlands clean the air we breathe and purify the water we drink.**
- **Molpus supports the American Cancer Society.**

Connecting people to nature is good for their health, according to the US Forest Service—99% of Molpus’s managed and owned forestland is available for outdoor recreation. These forests also help clean the air and purify the water we drink. Molpus also contributes to good health and well-being by supporting the Hope Lodge in Jackson, Mississippi. The American Cancer Society Hope Lodge program provides a free home away from home for cancer patients and their caregivers.



UN SDG 4

QUALITY EDUCATION

- **The Molpus Woodlands Group Annual Scholarship Program is offered at 10 universities.**
- **Dick Molpus advocates for public education through the Dick Molpus Foundation.**
- **Molpus provides career-oriented internship opportunities.**

The Molpus annual scholarship program is a partnership with 10 universities to encourage interest in forest management and to help bring further diversity to the forestry management profession by targeting students in underrepresented populations within certain majors. Dick Molpus advocates for public education and annually provides support to many institutions through the Dick Molpus Foundation. Molpus also has a history of providing career-oriented internship opportunities in areas such as forest management, geographic information system (GIS), inventory, accounting, and legal.



UN SDG 6 CLEAN WATER AND SANITATION

- **Forest certification standards mandate water quality BMPs.**
- **Molpus operations meet or exceed state water quality BMPs.**
- **Molpus conserves over 6,000 miles of streams and rivers.**

According to the US Forest Service, over half of the US surface water supply originates on forest land, even though forests cover about one-third of the United States, and public and private forest lands combined furnish water supplies for more than 180 million Americans. Certification to the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) requires Molpus to follow water quality best management practices (BMPs). Our operations meet or exceed state BMPs and comply with all local, state, or federal laws and regulations governing water quality. We are protecting over 6,000 miles of streams and rivers throughout our sustainably managed forests.



UN SDG 9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE

- **Molpus uses a customized approach to forest-level management.**
- **Molpus uses state-of-the-art technology.**
- **Molpus collaborates on forest policy and conservation.**

Molpus biometricians have developed custom-made forest inventory processing systems, which, when linked to customized growth and yield modules, give our forest managers access to reliable individual timber stand inventory estimates. Our state-of-the-art GIS and ongoing forest inventory and planning processes are essential for working at the cutting edge of sustainable forest management. In addition to GIS, our technologies include satellite and infrared imaging, our proprietary Timberlands Information Management System (TIMMS), and Stand Treatment Economic Assessment Model (STEAM). Molpus also collaborates with industry partners and associations on forest-related research, conservation, and policy initiatives to advance the practice of 21st-century sustainable forest management.



UN SDG 8 DECENT WORK AND ECONOMIC GROWTH

- **Molpus has a buy-local procurement preference.**
- **Molpus supports sustainable local industry.**
- **Molpus offers annual continuing education for employees.**

Molpus has always used local sources and supported small businesses in our supply chain when possible. Molpus has a long-standing buy-local procurement preference, using local vendors and service providers whenever possible. 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. All Molpus foresters and operational staff complete at least three hours of professional continuing education annually, encouraging lifelong learning and fulfilling employment.



UN SDG 10 REDUCED INEQUALITIES

- **Molpus is an equal opportunity employer.**
- **Diversity, equity, and inclusion initiatives are championed at Molpus.**
- **Molpus shows respect for Indigenous peoples' rights and traditional knowledge.**

Molpus is an equal-opportunity employer striving to build a more diverse and gender-balanced workforce. This commitment is an integral part of who we are as a company, and it is continually evolving as Molpus strives to be a leader in diversity, equity, and inclusion. Molpus offers scholarships to recruit under-represented groups into the forest sector. Molpus recognizes and respects Indigenous Peoples' rights and traditional knowledge and collaborates with neighboring Native nations.



UN SDG 11 SUSTAINABLE CITIES AND COMMUNITIES

- **Molpus helps employees support their local communities.**
- **Molpus has a buy local policy.**
- **Employees at Molpus are active stewards of Mississippi's heritage.**

Molpus employees are urged to be actively involved in their community by participating in community events, associations, and boards, in addition to various public education outreach opportunities. For example, Molpus supports Project Outreach in Fayette County, TN, which provides aid to the poor, the sick, and the marginalized. Molpus employees are also encouraged to take advantage of two days of paid annual leave to engage in volunteer activities. Molpus has always used local sources and supported small businesses in our supply chain when possible. Molpus has a long-standing buy-local procurement preference. Molpus is also an active steward of some of Mississippi's historic sites.



UN SDG 13 CLIMATE ACTION

- **Molpus forestlands offer nature-based climate solutions.**
- **Molpus has made 7 million metric tons of carbon offsets available.**
- **Molpus has almost 400,000 acres of timberland under conservation easements.**

Our sustainably managed forests are a powerful, nature-based climate change solution. According to the National Council for Air and Stream Improvement, as trees grow, they absorb carbon, and younger trees absorb carbon at faster rates than mature trees, so as we harvest and replant, we are creating more opportunities to absorb carbon from the atmosphere. Molpus has registered or sold more than one million acres of carbon offset projects, which are estimated to generate over 7.4 million metric tons of carbon offsets. Molpus also has close to 400,000 acres under conservation easements that keep forests as forests and allow them to continue to play a role in mitigating climate change.



UN SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- **Molpus helps sustainable forest products come to market.**
- **Molpus relies on qualified logging professionals.**
- **On-product labels help consumers.**

Sustainable forest products, like timber framing in buildings, have the potential to store carbon for generations, and multi-story, mass timber buildings can be a powerful tool in replacing carbon-intensive building materials like steel and concrete, according to the green building advocacy group WoodWorks. Molpus also requires all harvesting contractors to have at least one person on-site that is current with the educational requirements of the state Sustainable Forestry Initiative (SFI) Implementation Committee-approved logger training program for qualified logging professionals. Certification to SFI and the Forest Stewardship Council (FSC) means Molpus supports SFI's and FSC's on-product labels that help consumers make responsible purchasing decisions.

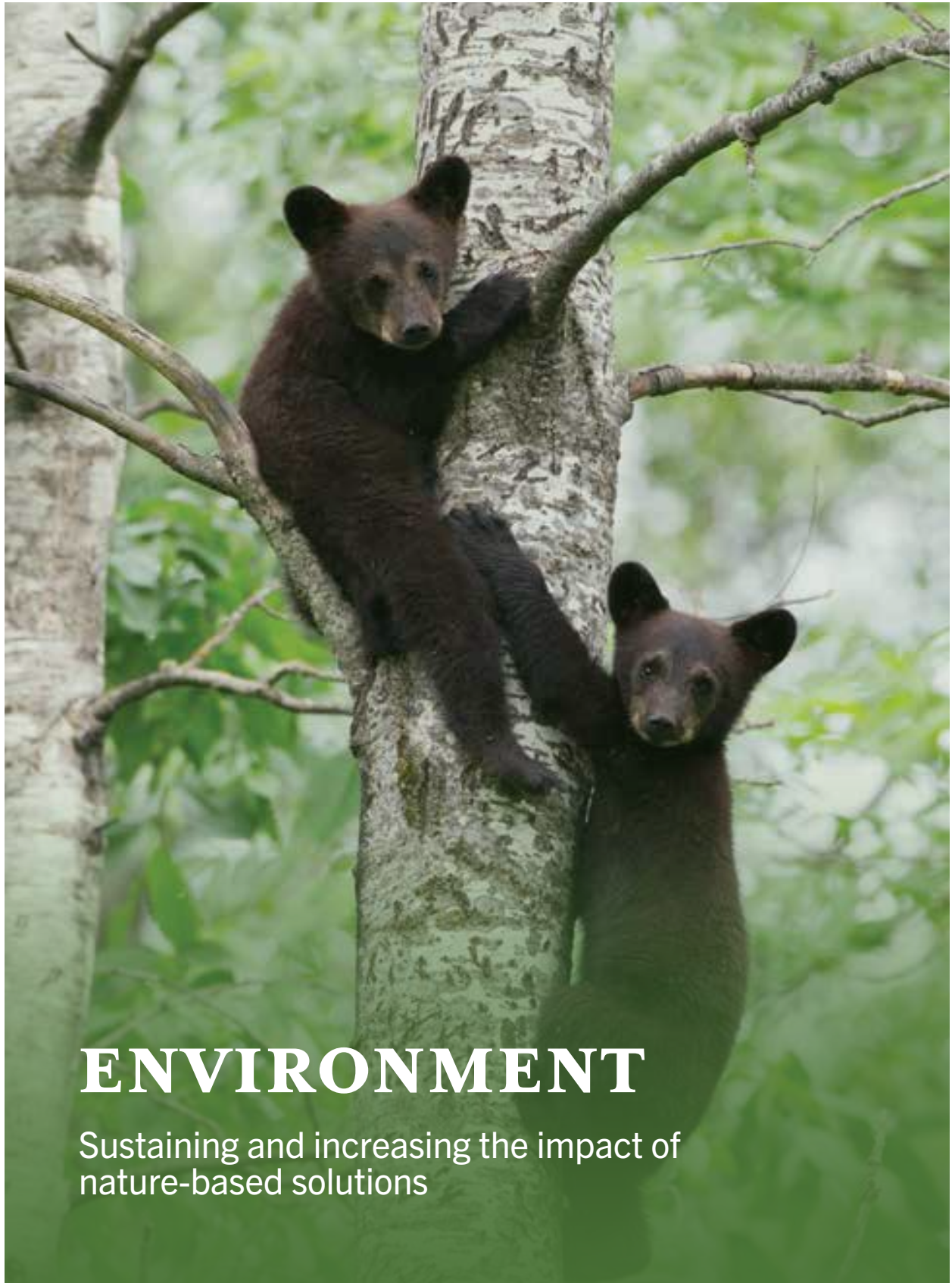


UN SDG 15 LIFE ON LAND

- **Molpus offers silvicultural treatments and practices to protect forest health.**
- **Molpus uses sustainable forest management to improve biodiversity.**
- **Molpus has planted over 265,000,000 trees.**

Molpus strives for long-term sustainability and productivity of forests through timely regeneration and application of cost-effective silvicultural treatments and practices to protect forest health from insects, pathogens, fire, and non-native, invasive species. In addition to timber production, forests are sustainably managed to improve the quality and distribution of wildlife habitats and contribute to biodiversity conservation. Cumulatively, Molpus has planted over 265,000,000 trees since 1998. We planted 15.8 million trees in 2020, 9.9 million trees in 2021, and 7.2 million trees in 2022. These growing forests provide a habitat for a variety of species.





ENVIRONMENT

Sustaining and increasing the impact of
nature-based solutions

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.

Forests have great potential to cost-effectively mitigate climate change

Forest carbon markets are a meaningful way to tap additional revenue potential while at the same time finding potential solutions for today's most challenging climate problems. Forests offer over two-thirds of the cost-effective nature-based carbon mitigation solutions needed to hold warming to below 2°C, and they also represent about half of the low-cost mitigation opportunities, according to research published by the National Academy of Sciences of the United States of America.

We believe selling carbon credits to businesses and organizations that want to offset their carbon emissions can deliver significant financial benefits to Molpus's clients.

- **Molpus has registered or sold over 1,000,000 acres of carbon mitigation projects.**
- **Selling carbon credits helps keep forests as forests.**
- **Total onsite carbon stocks for all Molpus managed properties in 2021 was 148,097, 120 metric tons of CO₂ equivalent.**

Forest certification is a proof point for sustainable forestry.

All of Molpus's forests are certified to the Sustainable Forestry Initiative (SFI®), and 22% are dual-certified to the Forest Stewardship Council (FSC®). SFI and FSC are forest certification programs audited by independent third parties. They are among the most comprehensive standards for sustainable forestry.

ENVIRONMENTAL KPIs

Number of trees planted

265 million+

trees planted since 1998

7 million+

trees planted in 2022

Acres under conservation easements

As of 12/31/2022

384,000

conservation acres

776,000

acres of publicly accessible forests

Number of carbon mitigation projects and tons registered or sold

As of 12/31/2022

1,000,000

acres of completed projects

7.4 million+

metric tons of offsets sold

We use key performance indicators (KPIs) as metrics to enable us to measure and quantify our progress on ESG. KPIs are divided into three ESG categories: environmental, social, and governance.

Acres under management

Almost 1.8 million acres are currently under management; however, this number changes almost daily with GIS line editing, land sales, and acquisitions.

Certified acres

The forest management systems and practices used on all Molpus-managed properties are certified to the SFI Forest Management Standard. Additionally, approximately 364,000 acres carry a dual certification with both SFI and FSC.

MOLPUS CARBON STOCKS REPORTING PROTOCOL

Facing a challenge as great as climate change requires dedicated tools and resources. Accounting for the carbon being stored across the Molpus footprint gives us valuable insights into the carbon mitigation impact of our work.

Molpus worked with Finite Carbon, a developer and supplier of forest carbon offsets, to design a reporting protocol to measure forest carbon stocks and changes at the property, region, and entity levels. The protocol quantifies carbon sequestered in standing live and dead trees, soil, and carbon stored long-term in harvested wood products.

A carbon stocking report was implemented in 2021, and Molpus is now able to annually review carbon profiles across its properties. The annual reports, available to clients upon request include three primary sections: activity data, emissions factors, and harvested wood products.

Activity data is the area extent of a land-use category, like a sustainably managed forest, measured as a geographic footprint in acres.

Emissions factors are defined as the emissions and removals of greenhouse gases per unit area.

Harvested wood products can store carbon for as long as they are in use.





SOCIAL

Complying with social laws and regulations is just the beginning

Molpus Woodlands Group, with the help of Landwork Dozer Services, hosted a watershed lab for Louisiana Tech University.



MOLPUS ESG POLICY: SOCIAL

Molpus complies with 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.

Empowering employees

Molpus gives employees a voice at the table when important decisions are made, and Molpus's reporting procedures include a confidential whistle-blower form for reporting practices that run counter to our principles.

Equal opportunity employer

Molpus is an equal-opportunity employer that is building a more diverse and gender-balanced workforce. We treat everyone inside and outside our company fairly and equitably. This policy is an integral part of who we are as a company, and it is continually evolving as Molpus strives to be a leader in diversity, equity, and inclusion (DEI).

Supporting local communities

Molpus uses local sources and supports small businesses in our supply chain when possible. Molpus has a long-standing buy-local procurement preference.

Helping employees help others

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. Molpus employees can take advantage of two days of paid annual leave to be volunteers. Molpus also formally supports the American Cancer Society with corporate giving and volunteer activities.

Giving access to education

Molpus has a partnership with 10 universities to help bring diversity to the forest management profession. Molpus helps students with financial needs from populations that are under-represented in certain majors.

Respect for Indigenous peoples' rights and traditional knowledge

Molpus recognizes and respects the rights of Indigenous peoples, including understanding and respecting traditional forest-related knowledge, protecting spiritual, historical, and cultural sites, and using non-timber forest products. In areas where Molpus manages timberlands, we actively collaborate with neighboring Native nations.

Caring for Mississippi's heritage

We are proud to have restored to its original grandeur the Garner-Green House, home to one of The Molpus Woodlands Group's Jackson, Mississippi, offices, and the old Tatum Lumber Company's headquarters, home to our operational headquarters in Hattiesburg, Mississippi.

CREATING EDUCATIONAL AND CAREER OPPORTUNITIES

Molpus offers pathways to success through education and internships.

Partnering with 10 universities

In partnership with 10 universities, Molpus is helping bring further diversity to the forestry management profession. Molpus helps students with financial needs from populations that are under-represented in certain majors. 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, accounting, and business.

Molpus University Partners

	Auburn University	Forestry (launching Fall 2023)
	Jackson State University	Business
	Louisiana State University	Accounting (launching Fall 2023)
	Michigan Technological University	Forestry (launching Fall 2023)
	Mississippi State University	Forestry and GIS
	Stephen F. Austin State University	Forestry (launching Fall 2023)
	University of Georgia <i>Warnell School of Forestry Master's Program</i>	Forestry
	University of Idaho	Forestry (launching Fall 2023)
	University of Kentucky	Forestry
	University of Southern Mississippi	GIS and Paralegal Studies

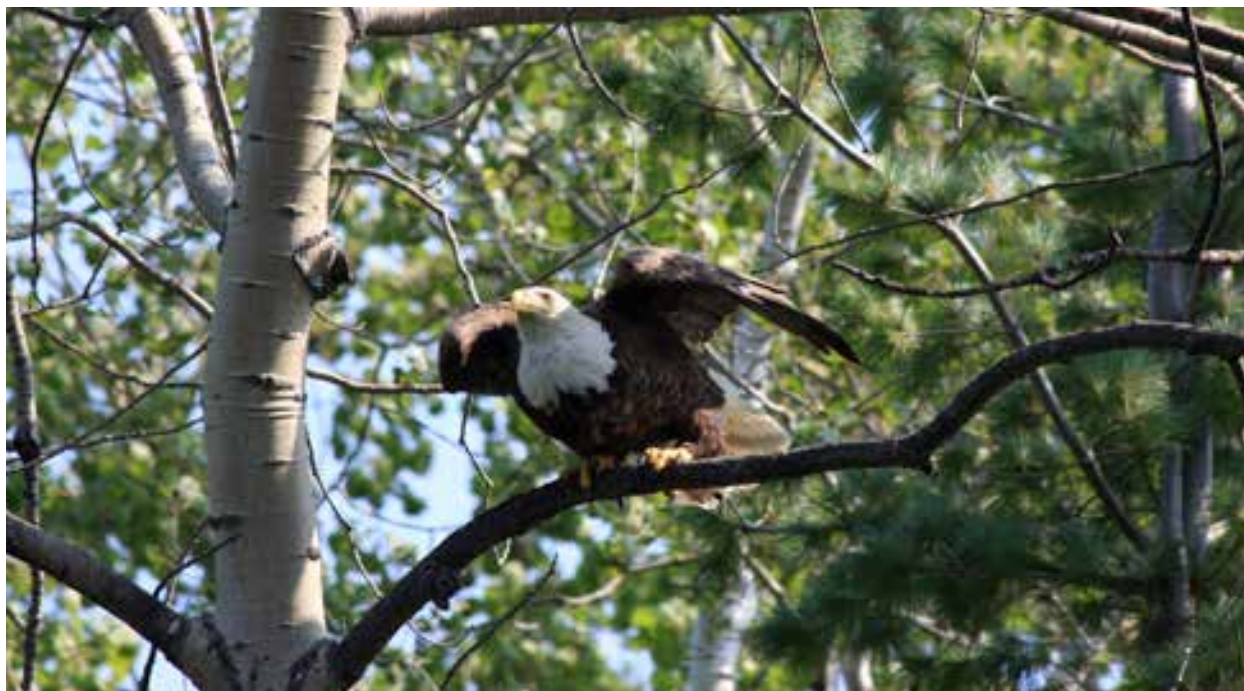


The Dick Molpus Foundation

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.

Internships

Molpus has a history of providing internship opportunities in areas such as forest management, GIS, inventory, accounting, and legal. In 2022, six interns benefitted from career experience in the forest sector.



SOCIAL KPIS

We use key performance indicators (KPIs) as metrics to enable us to measure and quantify our progress on ESG. KPIs are divided into three ESG categories: environmental, social, and governance.

Number of community engagement projects, workshops, sponsorships, and other events

2022: 48
2010-2021: 338

Respect for Indigenous rights and traditional knowledge

Molpus is aware of eight neighboring Native nations in five states where we manage properties, and we also manage lands within three reservations.

Tracking health and safety measures

In 2022, Molpus employees worked injury-free and recorded 1,175 safety observations in our operations.

Percentage of workers trained in sustainable forestry and harvesting

100% of Molpus forestry managers are trained in sustainable practices.

Percentage of employees who earn continuing education credits with a social component

100% of Molpus forestry managers and operational staff complete at least three hours of professional continuing education annually.

99%

2021-2022 season

Percentage of Molpus-managed forestland acres open for either public access or private lease

VALUING OUR PEOPLE, PAST, PRESENT, AND FUTURE

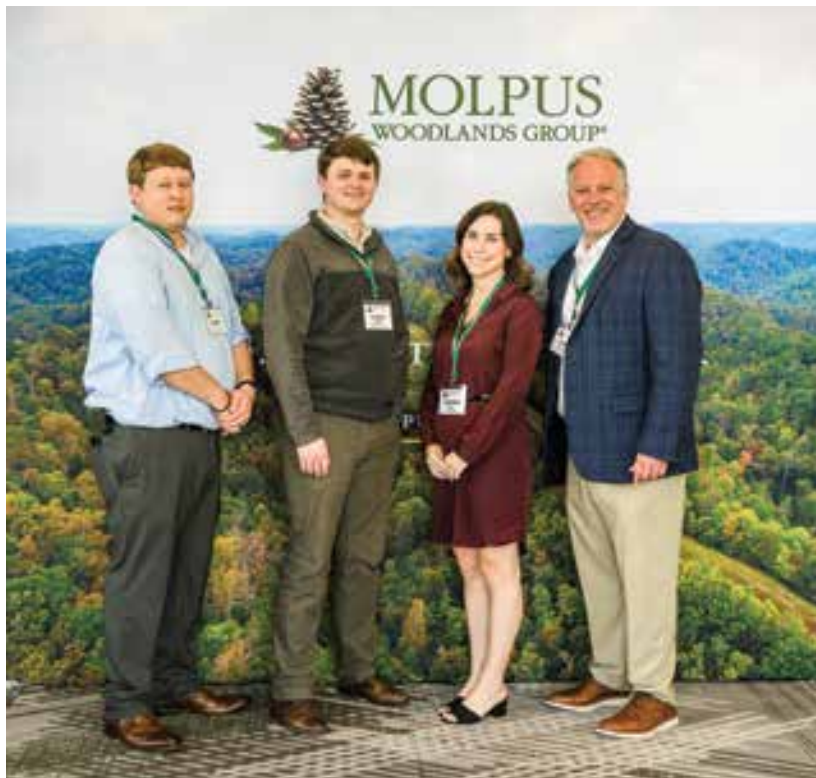
Richard Hezekiah Molpus, the grandfather of current Molpus Chair Dick Molpus, launched our company in 1905. Since then, lots of people have built their livelihoods at Molpus. Working at Molpus means being part of a team of seasoned, highly capable executives, accountants, lawyers, biometricians, GIS specialists, and a host of foresters and forest technicians with decades of on-the-ground experience.

Beyond job titles: longevity and family

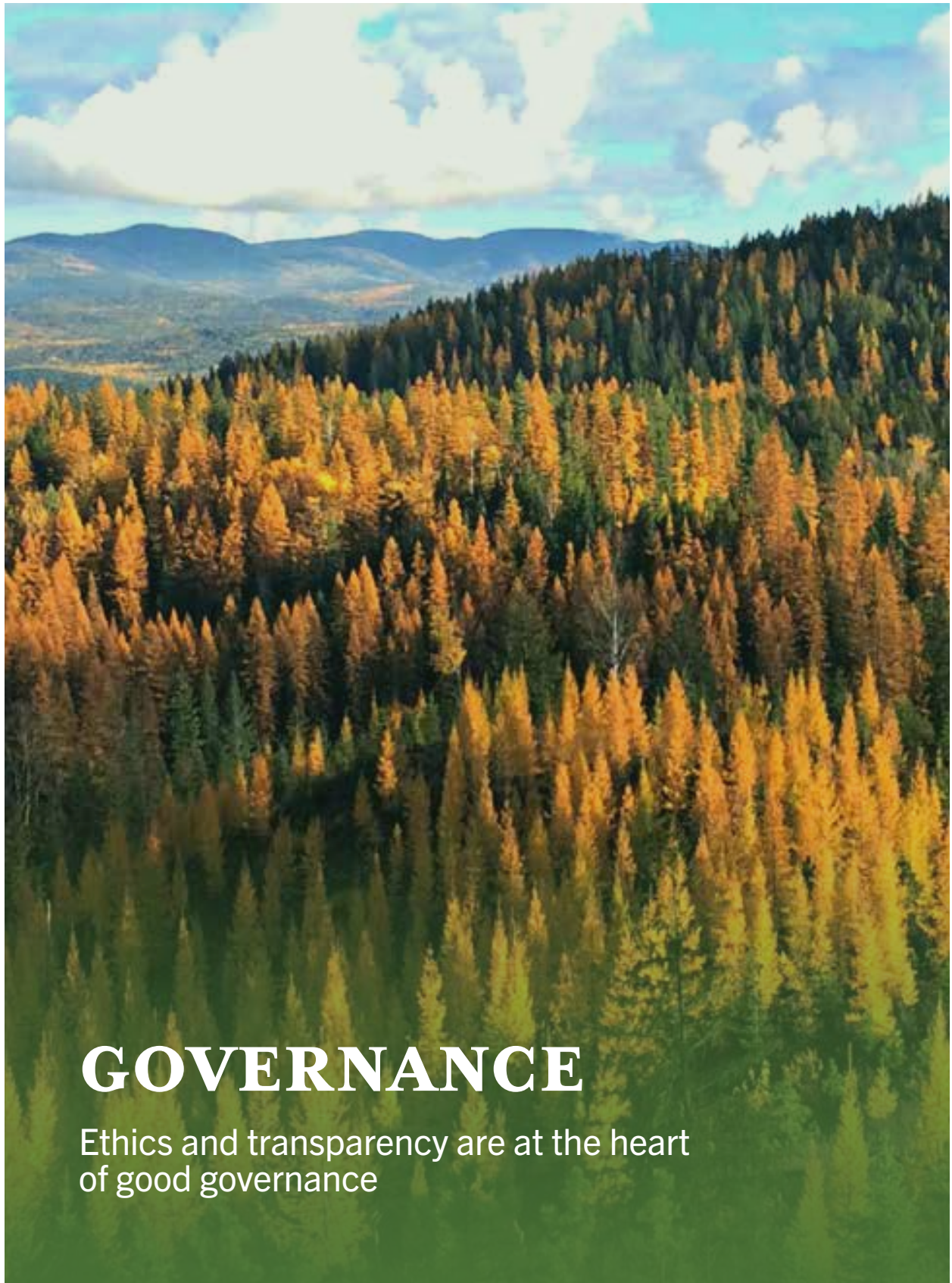
Longevity and family are two common threads that run through the story of working at Molpus. Many staff remain with the company for one, two, and even three decades. These same staff are also likely to recommend working at Molpus to other family members. We like to think that if you want your family to become coworkers you probably feel pretty good about coming to work.

A legacy to build on

Since our founding, we have grown into a diverse, employee-owned company with a culture that encourages professional development, career growth, and accountability in an atmosphere of trust and collegiality. We are always looking for people with a passion for helping clients, working on sustainable forest management, and assisting in delivering financial results for investors.



James Petty, Programmer/IT Technician, Lance Kirby, GIS Analyst, Virginia Price, Senior Tax Accountant, and Michael Cooper, Executive Vice President of Client Relations and Business Development, are all second generation Molpus employees.



GOVERNANCE

Ethics and transparency are at the heart
of good governance

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 our fiduciary responsibilities to our clients. Our rigorous selection and vetting process ensures the board of directors and executive leadership is of the highest caliber. Molpus uses governance structures in the areas of audit, risk management, and potential conflicts of interest. We also rely on key performance indicators and third-party forest certification audits to help guide and continuously improve governance.

External Validation

Becoming a UN PRI signatory, supporting the TCFD and certifying to SFI and FSC, and learning from other governance leaders are some of the important ways that Molpus evaluates our governance practices. Our four operational directors are involved in regional associations that work on ESG-related issues. Most of our property managers, as well as managing directors and staff, are involved at a state level in state forestry associations and SFI implementation committees and regionally with research cooperatives.

Molpus is an active member in both The Forest Climate Working Group and the National Alliance of Forest Owners (NAFO), each of which is working on climate policy and developing a strategy for the groups to work with the Biden administration. Molpus participates in some of NAFO's standing committees, including those focused on climate change, water, wildlife, and DEI. Molpus also served on special adhoc task groups addressing environmental metrics, wildfire policy, and standing timber insurance. Molpus is involved with Conservation without Conflict, a broader wildlife sustainability initiative, which expands beyond timberlands to include agriculture, utilities, and the military.

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.

GOVERNANCE KPIS

We use key performance indicators (KPIs) as metrics to enable us to measure and quantify our progress on ESG. KPIs are divided into three ESG categories: environmental, social, and governance.

Percentage of timberlands managed that have dedicated ESG resources at the property management level

100% of timberlands are managed by forestry professionals and resource staff.

Continuous improvement

The Molpus Information Systems team coordinates continuous improvement initiatives. From an operational SFI and FSC standpoint, our monitoring processes (inspections analysis and internal auditing format) help us identify trends and areas needing improvement. The audit team format provides opportunities for learning and exchange of ideas and, ultimately, improvements.

Compliance monitoring

In accordance with SFI and FSC standards, a Molpus company sustainability coordinator works with managing directors to oversee program compliance. Our trained foresters are supported by GIS analysts, biometricians, and programmers. Financial controls are overseen by an experienced staff of accountants, compliance officers, and legal professionals. Additionally, annual financial audits are conducted by regional or national audit firms such as KPMG LLP or FORVIS, LLP.

ESG reporting requirements

Molpus submits annual reports to the UN PRI and SFI, with additional environmental metrics reported to NAFO. Annually, once the third-party audit is completed, we provide SFI with the certifying body's audit report, which is then made publicly available.

Data and information management

We use leading GIS technologies in web, desktop, and mobile applications to help assist with planning future harvests, certification work, site preparation, reforestation, value add opportunities such as carbon offsets, property appraisals, and financial audits.

A GROWING TEAM

For close to 120 years, Molpus has benefitted from trusting the right people to do the right job at the right time. Today, this foundation of trust is stronger than ever—and although many of today’s challenges were not even imagined decades ago, having the right people in place to meet them will always be the right approach.

New President and enhancements to senior leadership team

Terrell Winstead was appointed Molpus’s new President on August 1, 2022. Bob Lyle, Molpus’s previous President, continues to serve Molpus as Special Advisor to the President, as well as continuing to serve as a member of its board, its investment committee, and as managing broker for its real estate activities. Terrell previously served Molpus as its long-time Chief Financial Officer, and he was Executive Vice President before becoming President.

In addition, effective August 1, 2022, three senior executives were given new roles: Michael Cooper, Executive Vice President of Client Relations and Business Development; Tyler Rosamond, Executive Vice President and Chief Financial Officer; and Ken Sewell, Executive Vice President, and Chief Operating Officer. Also, George Dahduh was promoted to the position of Vice President of Client Relations and Business Development.

Dedicated ESG team

The seven-member Molpus ESG committee includes senior executives, sustainability experts, and client relations specialists. The committee meets monthly to ensure Molpus executes its ESG strategy and delivers on related initiatives. Informal ad hoc meetings are also used to respond quickly to ESG-related challenges and opportunities.



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With this restructuring of our in-house talent, I believe we are continuing to build upon our rich heritage as we move forward in the ever-evolving world of sustainable timberland management. We are excited about the robust investment opportunities that exist in US forests that should allow us to employ sustainable forestry management while delivering value for our investors

TERRELL WINSTEAD
PRESIDENT, MOLPUS WOODLANDS GROUP, LLC

COMMITTING TO A FUTURE DEFINED BY ESG FACTORS

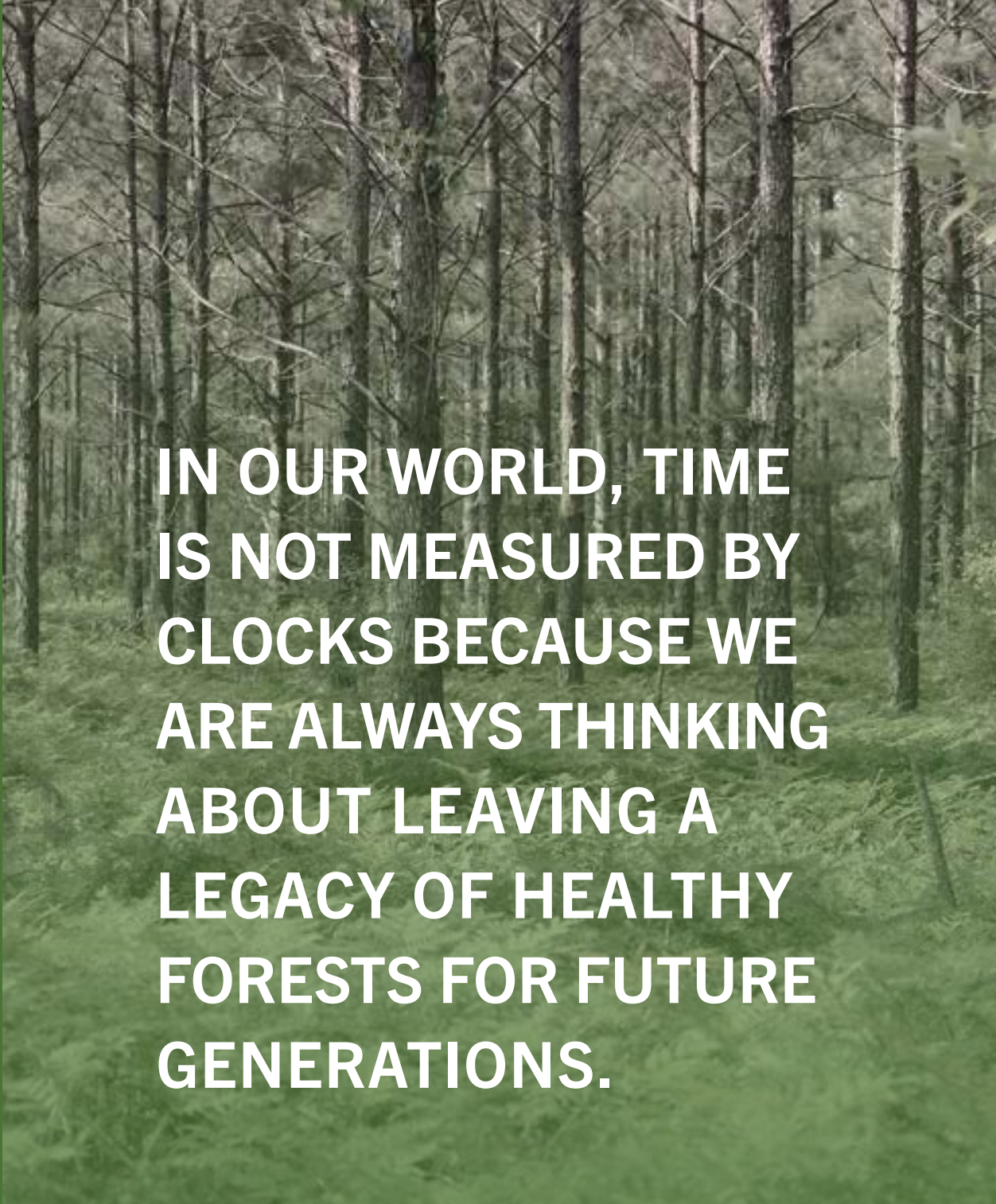
ESG and other sustainability approaches continue to give supporters and critics plenty to debate. Some critics even contend that much of what passes for sustainability is, in fact, just fine words and posturing. We are keenly aware of the pitfalls associated with making only half-hearted commitments to sustainability and then falling short. That's why we are committed to transparency and making measurable progress on sustainability goals so we can proudly call ourselves a leader in delivering nature-based solutions.

We see this commitment as fundamental to our future success in a world that is contending with accelerating climate change and biodiversity loss. We are proud to say we have developed 20 carbon projects across more than a million acres of forestland and verified over 7.1 million tons of carbon credits to date. Our work with solar and wind project developers on 19 renewable energy is another example of sustainability in action. We manage 10 conservation easements covering almost 384,000 acres.

We believe these achievements show we recognize ESG informs our work. ESG is no longer an add-on or a secondary consideration—it informs everything we do.

Today, we are a leading timberland management organization in the US, having acquired more than 4 million acres of forestlands, valued at over \$4 billion, for our clients since 1996. We believe our strong ESG performance is good news for our shared environment, our clients, and Molpus.

We see a promising future for Molpus, our investors, and the forests we all love.



IN OUR WORLD, TIME
IS NOT MEASURED BY
CLOCKS BECAUSE WE
ARE ALWAYS THINKING
ABOUT LEAVING A
LEGACY OF HEALTHY
FORESTS FOR FUTURE
GENERATIONS.

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