

MOLPUS WOODLANDS GROUP

2023

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 Molpus offers. 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

On behalf of the entire Molpus team, I am pleased to share the third annual Molpus Woodlands Group 2023 Sustainability Report. It illustrates our continued commitment to sustainable forest management across our entire company and details our progress on key metrics. This report is also a testament to how deeply we care about delivering a sustainable future for our families, our communities, and Molpus Woodlands Group. We are committed to reporting on activities and progress towards implementing sound environmental, social, and governance policies. We believe today's investors are making the connection between a company's commitment to a sustainable future and its ability to create long-term value and reduce risk whenever possible. On a fundamental level, we believe our strong performance on sustainability continues to make us more efficient and less wasteful.

With every passing year, more and more of us are looking for ways to have a positive impact. For some people, this means making more sustainable choices about how they live and what they buy, where they work, and how they invest. This growing preference for embedding sustainability in daily life also opens the door to using sustainable approaches to address the world's biggest challenges.

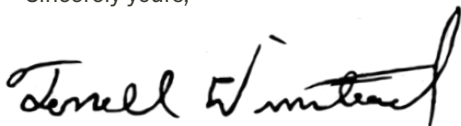
In 2023, we were encouraged by the continuing rise of nature-based solutions we have seen for existential challenges like climate change, wildfire, and biodiversity loss. Nature-based solutions, like the ones Molpus delivers, come in myriad forms, and we believe sustainable forestry stands out as a leading option. In the near and long term, we expect to see a marked acceleration in interest in nature-based solutions from investors, policymakers, conservationists, and the public.

Science shows us that planting and maintaining healthy forests to absorb and store carbon is a powerful nature-based solution for a variety of environmental problems. Consider this common example: restoring forests along rivers to filter sediment and maintain water quality is a long-accepted best practice in sustainable forestry. These same forests protect water quality, serve as critical wildlife habitat, and act as a carbon sink to help mitigate climate change—an example of a multi-pronged nature-based solution in action.

As our sustainability journey continues, we will always appreciate our clients for placing their belief in us. We view their confidence as a sacred trust and sustainability as critical to earning and maintaining that trust. I'm confident that this sustainability report provides insights into how we are using our stewardship roots to create ways to continue making a positive impact through our sustainable, nature-based forest management solutions.

On behalf of the Molpus team, I would like to thank you for your interest in our efforts to build a more sustainable shared future for our investors, staff, and the communities where we live and work.

Sincerely yours,



TERRELL WINSTEAD, PRESIDENT AND CEO
Molpus Woodlands Group, LLC



THE MOLPUS STORY OF SUSTAINABILITY

Our Time Is Not Measured by Clocks

1905

Richard H. Molpus and M. H. Henderson form Henderson-Molpus Mercantile Store, the predecessor to Molpus Lumber Company, in Meridian, Mississippi

1996

Molpus Woodlands Group established as a timberland investment management organization with its executive office in Jackson, Mississippi

2006

Dick Molpus instrumental in establishing The U.S. Endowment for Forestry and Communities

2008

Joined newly formed National Alliance of Forest Owners; then CEO Dick Molpus on first Board of Directors

2009

Molpus reports positive environmental impact with more than 130 million trees planted

Protected Cumberland Gap watershed was announced

2010

The Trust for Public Land acquires more property from Molpus to extend Cumberland Trail

2004

Molpus Woodlands Group sponsors a cypress tree forestry exhibit at the Mississippi Museum of Natural Science

2008

The Trust for Public Land acquired property from Molpus to add to Cumberland Gap National Historic Park

2009

Molpus announces Forest Inventory Internship Program

Forever Wild Land Trust and Molpus close largest to date government transaction in State's history

2011

All acres under management third-party certified to the Sustainable Forestry Initiative Forest Management Standards

2012

Molpus receives conservation award for elk restoration

First property dual certified to Forest Stewardship Council US Forest Management Standards

2015

Molpus employees participate in Earth Day Event

2019

Carbon Project Developer of the Year Award by the California Climate Action Reserve at the 2019 North American Carbon World conference

2020

Dick Kempka becomes Vice President - Conservation at Molpus

Molpus conserves working forest in North Idaho

Molpus expands scholarship program

2021

Molpus's first carbon stocks report

Molpus tops one million acres in forest carbon offset projects

Total onsite carbon stocks for all Molpus managed properties in 2021 was almost 150 million metric tons of CO2 equivalent

2022

Molpus publishes its first annual sustainability report

Ruth Cook becomes Vice President - Sustainability at Molpus

Molpus participates in 51st Annual Teachers Conservation Workshop

2014

Nationally recognized North Idaho forests conserved

Finite Carbon and Molpus Woodlands Group Register Little Brimstone Forest Carbon Project in Tennessee

2016

Since inception, Molpus has purchased, on behalf of its clients, more than four million acres valued at more than \$4 billion in 19 US states

Molpus becomes signatory to UN Principles for Responsible Investment

2020

Over 251 million trees planted since 1998 as part of Molpus sustainable forest management program

2021

Molpus publishes its second annual sustainability report

Molpus Woodlands Group Annual Scholarship Program expands to 10 universities in US timber-growing regions

Trace Carbon Solutions and Molpus Woodlands Group Announce the Evergreen Sequestration Hub in Louisiana

2023

2024

Molpus publishes its third annual sustainability report

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 active landowners who seek appropriate disclosure on ESG issues from 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 believe that today's investors are making the connection between a company's commitment to ESG principles and its ability to create sustainable value and reduce risk whenever possible. We believe our strong ESG performance makes us more efficient and less wasteful. We also believe our ESG commitment has positive implications for the environment, the communities we work in, and the future of Molpus Woodlands Group.

Molpus ESG Mission Statement

Molpus strives to be a reliable, 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.

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 CORE PRINCIPLES OF RESPONSIBLE INVESTING UNDERPIN OUR APPROACH TO SUSTAINABILITY AND IMPACT

The Molpus Responsible Investment Policy is based on eight core principles designed to address market and sustainability best practices. These eight core principles underpin our approach to ESG. Our responsible investing strategies are designed to address market and sustainability best practices and actively avoid investment opportunities that fail to meet these guidelines.

The Molpus Core Principles of Responsible Investing are based on eight 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** Follow procedures to identify, disclose, and mitigate conflicts of interest.
- 6** Adhere to stewardship guidelines to engage key stakeholders through open communication with clients, shareholders, regulators, and communities.
- 7** Prioritize local hiring and community engagement.
- 8** Report ESG performance clearly and transparently.



NATURE-BASED FORESTRY AND CLIMATE SOLUTIONS

Conservation Easements: Keeping Forests as Forests

Molpus has close to 400,000 acres under sustainably managed conservation easements that keep forests as forests and allows them to continue to play a role in mitigating climate change. These easements create a partnership whereby a landowner, like Molpus, continues to own and manage the property under mutually agreed restrictions monitored by a qualified organization.

A conservation easement is a legal agreement between a landowner and a qualified organization such as a conservation organization, land trust, or government agency that protects the land from development. Many of these easements are perpetual, which means they are enduring and have lasting impact.

Carbon Offsets: A Core Molpus Business Line Helping Mitigate Emissions

In recent years, forest carbon offsets have become one of Molpus's core business lines. A carbon offset is a credit for emissions reductions that one organization sells to another that wants to compensate for its emissions. Carbon offsets are measured in tonnes of CO₂-equivalents and are bought and sold through trading platforms, international brokers, and online retailers.

Molpus is managing close to 380,000 acres of forests that are generating carbon credits for the voluntary and compliance carbon markets. Selling carbon credits to businesses and organizations that want to offset their carbon emissions can deliver significant financial benefits to landowners. Molpus has registered or sold carbon offset projects estimated to generate over 7.4 million metric tons of carbon offsets.

Trust in carbon credits by buyers is important, and their legitimacy rests on two main components. First, a quality offset credit must represent at least one metric tonne of additional, permanent, unclaimed CO₂ emission reductions or removals. Second, a quality offset credit should come from activities that don't have negative social or environmental impacts.

CLIMATE AND CARBON — THE INVESTMENT OPPORTUNITY



- 324.4 million tCO₂e in forest carbon stores in the Molpus forestry portfolio of well-managed working forests
- 1.5 million tCO₂e stored in harvested wood products from the Molpus forestry portfolio
- Molpus currently manages over 1.7 million acres of timberland investments in 15 states

THE EVERGREEN SEQUESTRATION HUB IN LOUISIANA

“ESTIMATED TOTAL SEQUESTRATION CAPACITY OF OVER 250 MILLION METRIC TONS OF CO2.”

— TRACE CARBON SOLUTIONS

Trace Carbon Solutions and Molpus Woodlands Group, on behalf of a client, announced on September 27, 2023, that they signed an agreement providing Trace with exclusive rights to develop and operate a carbon sequestration site to be called the Evergreen Sequestration Hub on approximately 20,000 acres in Louisiana. Trace will use the site to permanently sequester industrial CO2 in underground geologic formations, while Molpus will continue to manage the aboveground acreage as a sustainably managed working forest.

CARBON STOCKS AND EMISSIONS REPORTING PROTOCOL

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. Carbon stock reporting was implemented in 2021, and Molpus can now review carbon profiles annually across its properties. The annual reports, available to clients upon request, include three primary sections: activity data, emissions factors, and harvested wood products. In 2023, Molpus added scope 1, 2, and 3 emissions to its reporting protocol.

ACTIVITY DATA	The area extent of a land-use category, like a sustainably managed forest, measured as a geographic footprint in acres.
EMISSIONS FACTORS	Defined as the emissions and removals of greenhouse gases per unit area.
HARVESTED WOOD PRODUCTS	Stores carbon for as long as they are in use.

2022-2023 ONSITE CARBON STOCKS REPORT DATA

2023 Net Change Summary

End of 2023 Forest Carbon Stores	324,431,544 MtCO2e	2023 Carbon Stored in Harvested Wood Products (In-Use and In-Landfill)	1,553,044 MtCO2e
End of 2022 Forest Carbon Stores	330,616,541 MtCO2e		
Net Change	(6,184,998) MtCO2e	Total Net GHG Profile	(4,631,954) MtCO2e

Carbon Storage in Harvested Wood Products in 2023

Carbon Storage Long Term on Average Over 100 Years

Region	Wood Harvested (Green Tons)	Standing Live	Standing Live Sent to Mill	Standing Live After Mill Efficiency	Products in Use	Products in Landfills
SO	3,676,231	5,292,205	2,793,188	1,943,479	743,334	534,544
NO	665,860	1,267,406	516,268	343,355	144,887	94,835
NW	103,886	157,674	66,941	47,126	21,535	13,908
Total	4,445,977	6,717,285	3,376,397	2,333,960	909,756	643,287

2023 TOTAL EMISSIONS SUMMARY (MTCO2E)

Total Scope 1 Emissions	19,670	Total Scope 3 Emissions	7,355
Total Scope 2 Emissions	232	Total Emissions	27,257

MOLPUS SUPPORTS 10 UN SUSTAINABLE DEVELOPMENT GOALS

Our work aligns with the United Nations Sustainable Development Goals (SDGs). Molpus directly supports 10 of the 17 SDGs.



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 forests is good for their health, according to the US Forest Service. Forests also help clean the air and purify the water we drink. Molpus also contributes to good health and well-being by supporting the American Cancer Society Hope Lodge in Jackson, Mississippi.



UN SDG 4 GOOD QUALITY EDUCATION

- **The Molpus Woodlands Group Annual Scholarship Program is offered at ten 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 ten 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.



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).



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 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. Molpus has 15 offices with staff that live in local communities directly connected to the timberland being managed.

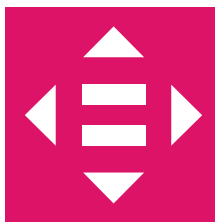




UN SDG 9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE

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

Molpus biometricians have developed custom-made forest inventory processing systems. 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).



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. 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 volunteer with two days of paid leave.**
- **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, boards, and 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 is also an active steward of some of Mississippi's historic sites.



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. Molpus also requires all harvesting contractors to have at least one person onsite who is current with the educational requirements of the SFI logger training program. Certification to SFI and FSC also means Molpus supports SFI's and FSC's on-product labels that help consumers make responsible purchasing decisions.



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. As we harvest and replant, we are creating more opportunities to absorb carbon from the atmosphere.



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 biodiversity conservation.



ENVIRONMENT

Looking to nature for solutions to our shared challenges

Sustainable forest management at Molpus contributes to a diverse mosaic of forest types, structure, and ages across the landscape. This helps create and support diverse wildlife habitats for wildlife and fish—both common and rare. Our collaborative approach to conservation and research has allowed Molpus to leverage our efforts to deliver positive results on the ground outlined in this report.

ENVIRONMENTAL 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 trees planted

271 million

trees planted since 1998

13 million

trees planted since 2023

Acres under conservation easements

As of 12/31/2023

384,000

conservation acres

776,000

acres of publicly accessible forests

Number of carbon mitigation projects and tons registered or sold

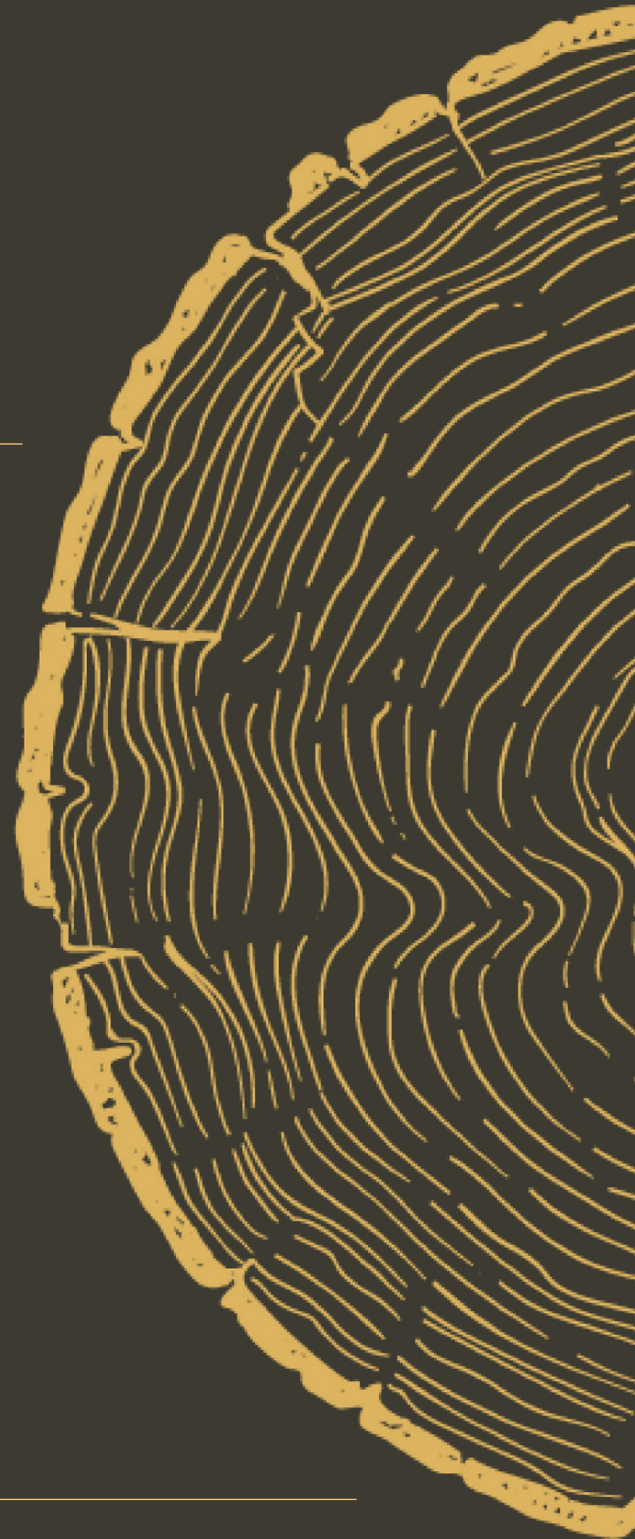
As of 12/31/2023

1,000,000

acres of completed projects

7.4 million+

metric tons of offsets sold



HELPING THE WILDLIFE CONSERVATION INITIATIVE CONSERVE LOUISIANA PIGTOE AND TEXAS HEELSPLITTER MUSSELS



Mussels play an important role in aquatic ecosystems. They clean the water and create a diverse habitat for many other aquatic species. Louisiana pigtoes are rare, medium-sized freshwater mussels with thick, inflated shells. Texas heelsplitters are rare freshwater mussels with thin, smooth, elliptical shells. Both species are proposed for listing as threatened under the Endangered Species Act.

Researchers identified streams with appropriate conditions for mussels and then used DNA testing to verify species' identities. These streams are on land belonging to National Alliance of Forest Owners (NAFO) member companies, including Molpus. NAFO is a national advocacy organization committed to advancing federal policies that ensure working forests provide clean air, clean water, wildlife habitat, and jobs through sustainable practices and strong markets. The project aims to gain a better understanding of the mussels' habitat needs and how sustainable forest management can help better conserve both species and potentially reintroduce new populations to working forests.

Key collaborators:

- **US Fish and Wildlife Service**
- **National Alliance of Forest Owners**
- **National Council for Air and Stream Improvement**
- **Louisiana Department of Wildlife and Fisheries**

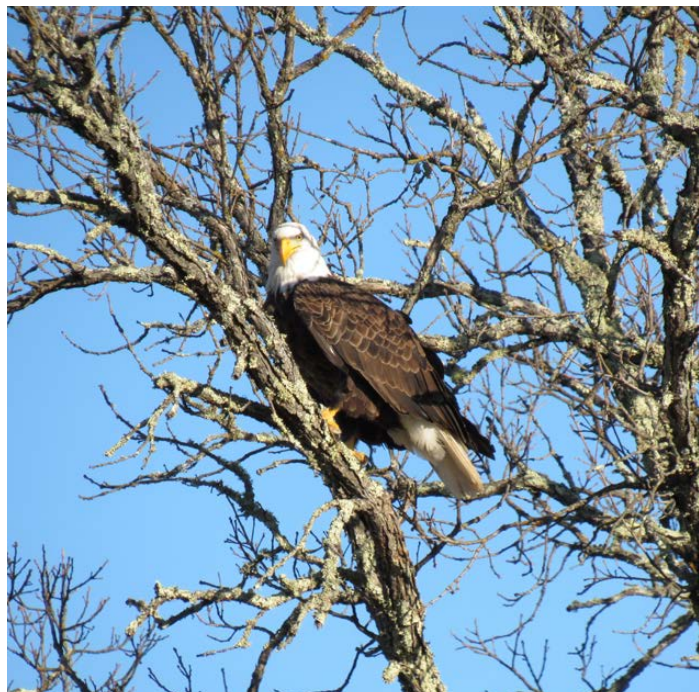
WORKING WITH THE WILDLIFE CONSERVATION INITIATIVE TO CONSERVE BIODIVERSITY IN THE SOUTHEAST

Molpus has forestlands east of the Mississippi River, which is one of the most biodiverse regions in the Southeast. There, researchers are using a landscape-level approach to demonstrate the value of active forest management as a powerful conservation tool. This project is investigating an entire ecosystem and the species that depend on it, including the Red Hills salamander, the swallow-tailed kite, the eastern diamondback rattlesnake, and the southern pigtoe mussel. Four research methodologies are being used to gain a holistic understanding of biodiversity across a landscape.

Method 1	Freshwater turtle visual surveys and trapping
Method 2	Camera trapping arrays and visual terrestrial surveys
Method 3	Environmental DNA and metabarcoding (barcoding DNA/RNA (or eDNA/eRNA) to simultaneously identify many organisms within the same sample)
Method 4	Area constrained upland pine surveys

Key collaborators:

- National Alliance of Forest Owners
- National Council for Air and Stream Improvement
- Sustainable Forestry Initiative
- US Fish and Wildlife Service
- Tangled Bank Conservation
- Association of Fish & Wildlife Agencies





SUPPORTING THE WILDLIFE CONSERVATION INITIATIVE'S FOCUS ON WOOD TURTLES IN MICHIGAN

Wood turtles are being evaluated for listing under the Endangered Species Act. This project is conducting critical research on the relationship between wood turtles and sustainable forest management in Michigan. Government agencies, private working forest owners, academics, and conservationists are developing a better understanding of the relationship between wood turtles and sustainable forest management practices, informing strategies for mitigating or removing threats to wood turtle populations, and integrating wood turtle conservation with forest management activities.

Key collaborators:

- **US Fish and Wildlife Service**
- **National Alliance of Forest Owners**
- **National Council for Air and Stream Improvement**
- **Michigan State University**

CLIMATE-SMART FORESTRY AND FIRE RESILIENCE

The SFI Forest Management Standard includes a climate-smart forestry objective, which sets expectations for SFI-certified organizations related to climate change risk assessment, adaptation, and carbon management.

Potential climate-related risks that could threaten timber, soil, watershed, or wildlife survival, health, and productivity, in addition to accessibility or operational constraints, are identified and prioritized, with suggested management adaptation considerations.

Priority climate-risk factors

- Loss of soil and watershed health, productivity, and operability as temperature patterns change.
- Changes in storm events and precipitation could add stress to timber stands and may also lead to increases in stream flows and costly damage to road networks.
- With warming temperatures and changes in precipitation patterns, the risk of wildfire could increase on the properties we manage, leading to potential timber and habitat damage as well as risk to people and property nearby.
- Potential increases in biological stressors, such as disease, pests, and invasive competition, may have an increased negative impact on forest health and productivity.
- Stress on game and non-game wildlife are also important factors to consider as part of the conservation and outdoor recreation activities on client lands.

COLLABORATING ON CLIMATE

The SFI Climate Smart Forestry Objective also includes new opportunities for engagement and collaboration via SFI Implementation Committees. These regional committees are designed to help foresters and others exchange ideas and provide some regional information for SFI-certified organizations, which they can use as a starting point in determining climate adaptation actions.

MOU Helps Private and Public Forest Owners Fight Wildfires

The US Forest Service and NAFO signed an MOU creating a partnership to enhance cooperation between private working forest owners and public land managers during wildfires. Increasingly intensive wildfire years severely impact local communities, the environment, local and regional economies, and public health. They can also cause significant resource damage on private working forest lands, which annually provide 80% of the net forest carbon sequestration and 90% of the timber harvest for products in the United States.

The highest wildfire risk areas are often spread across multiple jurisdictions. Working more closely with private and public forest owners to suppress wildfires on adjoining lands is one more way Molpus and other NAFO members can help achieve the goals of the US Forest Service Wildfire Crisis Strategy.



SOCIAL

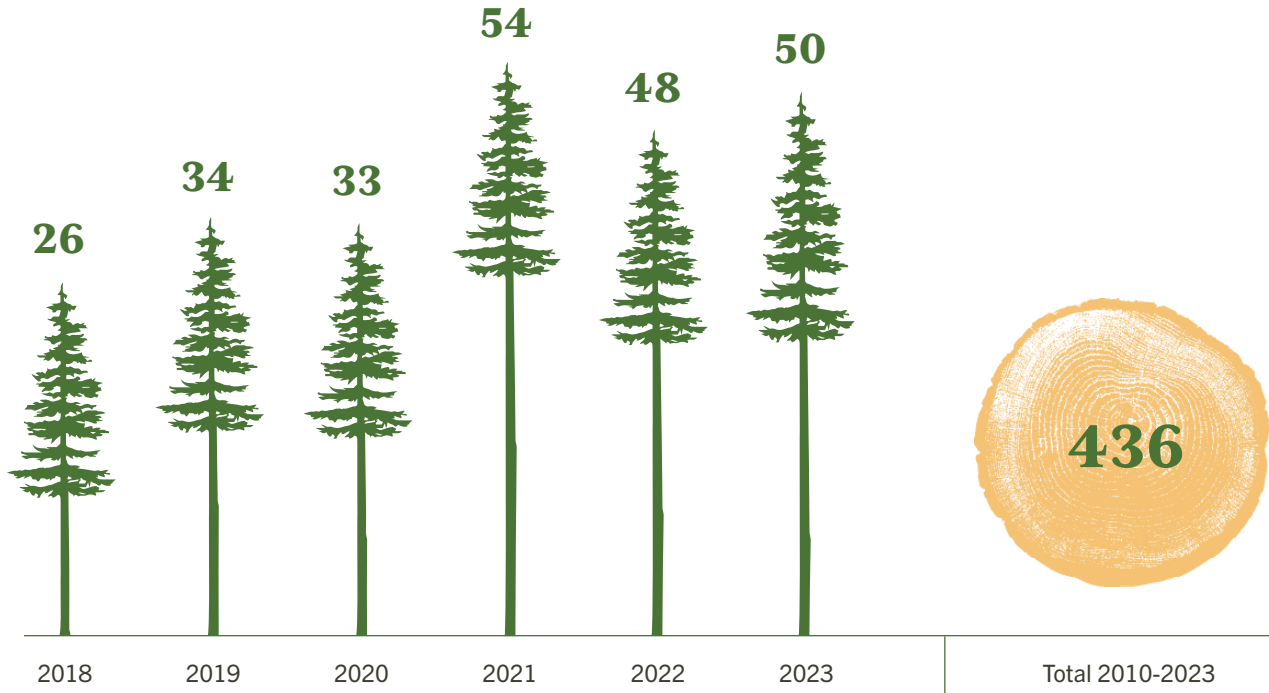
Supporting the Communities Where We Live and Work

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. 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.

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



Respect for Indigenous rights and traditional knowledge

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

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.

Tracking health and safety measures

In 2023, Molpus employees worked without experiencing any lost-time accidents and recorded 1,266 safety observations in our operations.

99%

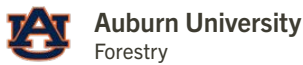
2022-2023 season

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

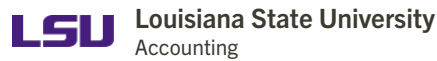
EXPANDING THE MOLPUS WOODLANDS GROUP ANNUAL SCHOLARSHIP PROGRAM

Molpus expanded the Molpus Woodlands Group Annual Scholarship Program to further diversify forest management. Through a partnership with five new universities, the expanded program is increasing Molpus's support to 10 universities located throughout the timber-growing regions of the United States.

Five new scholarships are being awarded through this expansion. These scholarships will be available to students in accounting and forestry. The five new universities partnering with Molpus are:



Auburn University
Forestry



Louisiana State University
Accounting



Michigan Technological University
Forestry



University of Idaho
Forestry



Stephen F. Austin State University
Forestry

These scholarships are in addition to seven other scholarships being awarded at five universities in forestry, GIS, paralegal studies, and business. Those partnering universities are:



Mississippi State University
Forestry and GIS



Jackson State University
Business



University of Southern Mississippi
Accounting and Paralegal



University of Kentucky
Forestry



University of Georgia
Forestry (Master's Program)

“

These scholarships are designed to help build diversity in the next generation of professionals within our company and the entire forestry sector. We have a rich heritage of helping lead our industry in the ever-evolving world of sustainable timberland management. We believe that adding these five new quality universities reflects our continued commitment to positively shaping our industry's bright future.

TERRELL WINSTEAD,
PRESIDENT OF MOLPUS

SUPPORTING THE HOPE LODGE IN THE FIGHT AGAINST CANCER

Every year, Molpus supports the Hope Lodge in Jackson, Mississippi. Through our support, we hope to ease or reduce the burden of cancer on individuals and their families through the Hope Lodge.

The American Cancer Society, Hope Lodge program, provides a free home away from home for cancer patients and their caregivers. More than just a place to stay, it provides a nurturing community that helps patients access the medical care they need. Generally, all 32 rooms at the Mississippi Hope Lodge are occupied and helping between 75 and 100 people a day.

EMPLOYEE PAID LEAVE TO SUPPORT LOCAL COMMUNITIES

Molpus employees are encouraged to take advantage of two days of paid annual leave to engage in volunteer activities. 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.

Hope Lodge is one of the local charities that benefit from Molpus staff volunteers. Employees are encouraged to consider one of three volunteer opportunities at Hope Lodge.

Through the Cooking Up Hope program, volunteers can sign up to come to Hope Lodge and provide a home-cooked or catered meal. Molpus staff can host a donation drive for items from the Hope Lodge wish list. There are a number of daily activities for volunteers, like helping with movie nights, game nights, and craft classes.

SPONSORING A FORESTRY EXHIBIT AT THE MISSISSIPPI MUSEUM OF NATURAL SCIENCE

This cross-section of a cypress tree is proudly displayed in Mississippi's biggest museum. The Mississippi Museum of Natural Science, a division of the Mississippi Department of Wildlife, Fisheries, and Parks, covers more than 73,000 square feet. Support from Molpus is helping to tell the story of this majestic tree's long life, from the 10th to 19th centuries, through its growth rings. The cypress tree is well-suited to wet conditions in swamps and along riverbanks.

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

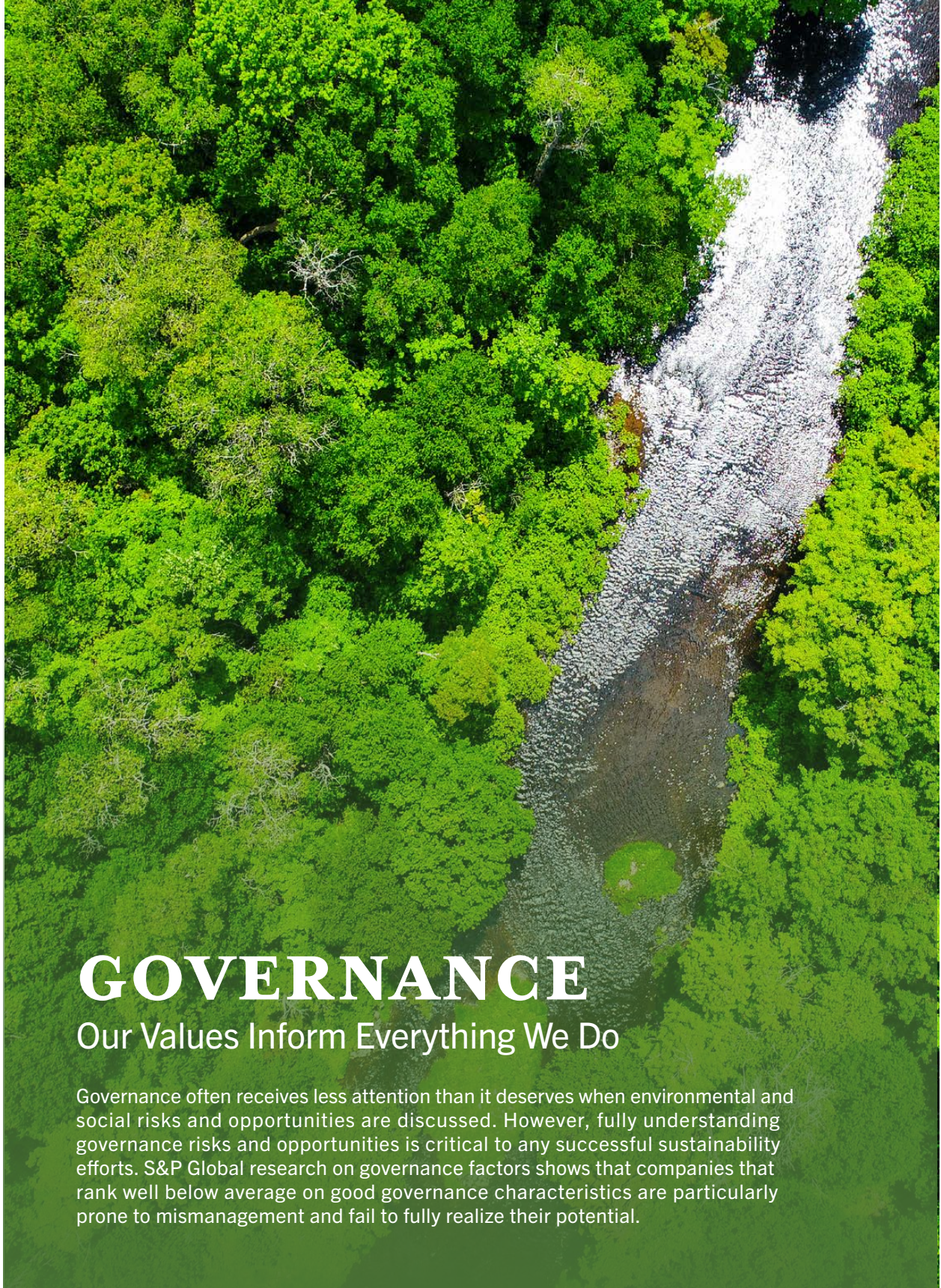
Longevity and family are two common threads that run through the story of working at Molpus. Many staff members remain with the company for one, two, and even three decades.

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.



Photo credit: Mississippi Museum of Natural History



GOVERNANCE

Our Values Inform Everything We Do

Governance often receives less attention than it deserves when environmental and social risks and opportunities are discussed. However, fully understanding governance risks and opportunities is critical to any successful sustainability efforts. S&P Global research on governance factors shows that companies that rank well below average on good governance characteristics are particularly prone to mismanagement and fail to fully realize their potential.

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 SFI 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, and value-added opportunities such as carbon offsets, property appraisals, and financial audits.



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 duties to our 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. We also rely on performance metrics to help guide and continuously improve governance.

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.



THE MOLPUS ADVANTAGE

Molpus is privately owned and **one of the oldest timber-related companies** in the nation.

Molpus has acquired more than **4 million acres for clients valued at over \$4 billion.**

Molpus's **vertically integrated business structure** allows us to have all core forestry and business functions executed by in-house experts as opposed to other firms that may outsource to unrelated, third-party contractors.

In-house experts design and implement new technologies that drive optimizing biological growth, supporting value creation of portfolio properties, and improved due diligence.

Molpus is a signatory to the **United Nations Principles for Responsible Investment**, and we support the **International Sustainability Standards Board.**





ABOUT MOLPUS

The Molpus Woodlands Group, LLC (Molpus), an SEC-registered investment adviser, acquires, manages, and sells timberland as an investment vehicle for pension funds, college endowments, foundations, insurance companies, and high-net-worth individual investors. Molpus currently manages over 1.7 million acres of timberland investments in 15 states. We incorporate environmental, social, and governance (ESG) policies and practices into investment analysis and decision-making. We believe our strong ESG initiatives have positive implications for the environment and the future of Molpus. Molpus was founded in 1996 as a timber investment management organization and has a company legacy dating back to 1905. Molpus is one of the oldest timber-related companies in the United States.

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