

MOLPUS WOODLANDS GROUP

2024

Annual Sustainability Report



MOLPUS
WOODLANDS GROUP®



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 everyone at Molpus, I am proud to share the fourth annual Molpus Woodlands Group Sustainability Report. At Molpus, we believe in the power of responsible forest management to support strong communities, create economic opportunities, and preserve our natural resources for future generations. This report highlights our continued progress and unwavering commitment to creating long-term value, supporting stewardship, and advancing conservation.

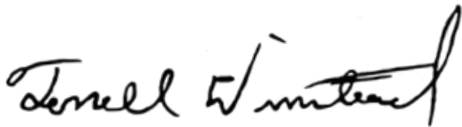
As one of the nation's oldest timberland investment management organizations, we know firsthand that healthy, well-managed forests are vital to both the economy and the environment. Working forests create jobs, strengthen rural economies, and supply essential materials for construction, manufacturing, and energy—all while providing clean air, water, and abundant wildlife habitats. By managing our forests with a long-term perspective, we ensure they continue to deliver these benefits for generations to come.

The demand for market-driven, practical solutions to challenges like wildfire risk, water conservation, and resource sustainability continues to grow. Well-managed forests play a critical role in mitigating wildfire threats, protecting watersheds, and contributing to a strong, resilient economy. Science shows that forests not only capture and store carbon but also provide essential resources that keep our industries moving forward.

At Molpus, we are proud to uphold the values of responsibility, self-reliance, and innovation in forestry. We deeply appreciate the trust our clients place in us, and we honor that trust by using time-tested principles of land stewardship to create value and ensure the productivity of our forests.

On behalf of the entire Molpus team, thank you for your continued support and interest in our efforts to manage America's forests in a way that benefits investors, local communities, and the generations to come.

Sincerely yours,

A handwritten signature in black ink, reading "Terrell Winstead". The signature is fluid and cursive, with the first name "Terrell" and last name "Winstead" clearly legible.

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

2004

Molpus Woodlands Group sponsors a cypress tree forestry exhibit at the Mississippi Museum of Natural Science that is still popular with visitors today

2008

Joins newly formed National Alliance of Forest Owners (NAFO); CEO Dick Molpus on first Board of Directors

2010

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

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

1996

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

2006

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

Protected Cumberland Gap watershed is announced

Molpus announces Forest Inventory Internship Program

Forever Wild Land Trust and Molpus close largest government transaction in Alabama's history

2009

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

2011



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 disclosure on ESG issues when appropriate from 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 also believe our ESG commitment has positive implications for the environment, the communities we work in, and the future of Molpus.

As part of our commitment to 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 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 view our policies and practices as important to earning and maintaining that trust.



OUR RESPONSIBLE INVESTMENT POLICY DELIVERS ON THE PROMISE OF ESG

The Molpus Responsible Investment Policy is based on eight core principles designed to address market and sustainability best practices.

The Molpus Responsible Investment Policy is 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.



CLIMATE-SMART FORESTRY AND NATURE-BASED SOLUTIONS

Conservation Easements: Keeping Forests as Forests

Molpus manages nearly 400,000 acres of forests under sustainably managed conservation easements, ensuring these lands remain forests and continue to play a vital role in mitigating climate change. These easements establish a partnership where Molpus retains ownership and management of the property while adhering to mutually agreed-upon restrictions monitored by a qualified organization.

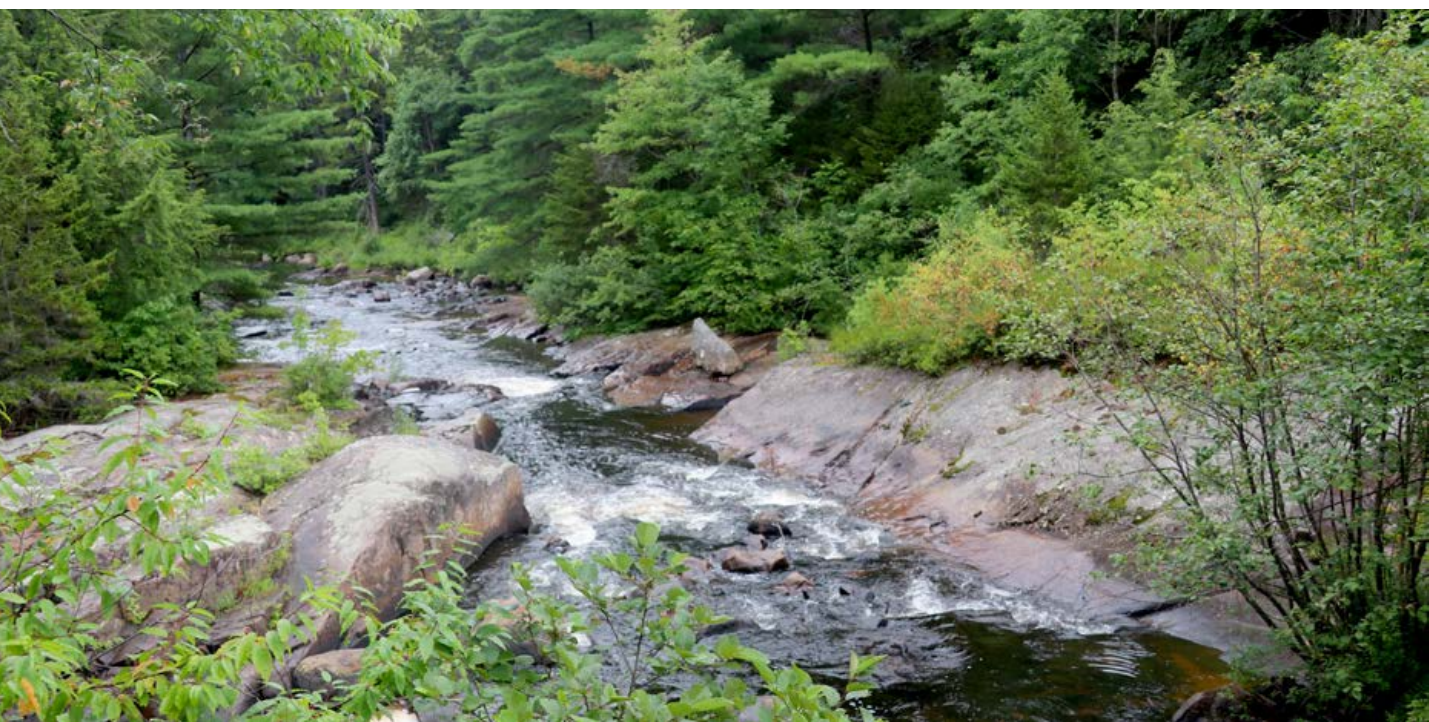
A conservation easement is a legal agreement between a landowner and a qualified organization—such as a conservation group, land trust, or government agency—that safeguards the land from development. Most conservation easements are “perpetual,” meaning they are designed to last up to 999 years. However, some eligible lands can be enrolled for shorter durations.

Carbon Offsets: A Core Molpus Business Line Helping Mitigate Emissions

Molpus launched its first carbon offset project in 2016. Over time, forest carbon offsets have evolved into an important business line. A carbon offset represents a credit for emissions reductions that one entity can sell to another seeking to mitigate its carbon footprint. These offsets are measured in metric tons of CO₂-equivalents and traded through platforms, brokers, and online retailers.

Molpus strives to generate the highest-quality credits. The legitimacy of high-quality carbon offsets rests on two key principles. First, each credit must represent at least one metric ton of additional, permanent, and unclaimed CO₂ emission reductions or removals. Second, credits must stem from activities that avoid negative social or environmental impacts.

Currently, Molpus is managing nearly 380,000 acres of forests that are actively generating carbon credits for both voluntary and compliance carbon markets. By selling these credits to businesses and organizations aiming to offset their emissions, Molpus provides substantial financial benefits to landowners. To date, the company has registered or sold over one million acres of carbon offset projects, collectively estimated to generate more than 7.4 million metric tons of carbon offsets.



THE CLIMATE AND CARBON INVESTMENT OPPORTUNITY



- 321.1 million metric tons of CO₂-equivalents (MtCO₂e) in forest carbon stores in the Molpus forestry portfolio of well-managed working forests (2024)
- 1.18 million MtCO₂e stored in harvested wood products from the Molpus forestry portfolio (2024)
- 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 in 2023 that they signed an agreement providing Trace with exclusive rights to develop and operate a carbon sequestration site. The Evergreen Sequestration Hub, on approximately 20,000 acres in Louisiana, will permanently sequester industrial CO₂ in underground geologic formations. Molpus will continue to manage the aboveground acreage as a sustainably managed working forest. In 2024, Trace submitted two Class VI Well Applications to the Louisiana Department of Energy and Natural Resources for technical review. Trace was also awarded a \$35 million Phase III CarbonSAFE grant from the U.S. Department of Energy to advance this project.

CARBON STOCKS REPORTING PROTOCOL

Molpus collaborated with a leading developer and supplier of forest carbon offsets to create a detailed reporting protocol for measuring forest carbon stocks and changes at multiple scales, including property, regional, and organizational levels. This protocol quantifies carbon stored in various components, such as standing live and dead trees, soil, and long-term carbon sequestered in harvested wood products.

Since implementing carbon stock reporting in 2019, Molpus has been able to review and analyze carbon profiles across its properties on an annual basis. These annual reports, available to clients upon request, provide detailed insights across three key areas: activity data, emission factors, and the role of harvested wood products in long-term carbon storage.

ACTIVITY DATA	Activity data describes changes in property characteristics and associated impacts on acreage and timber volumes.
EMISSIONS FACTORS	Emissions factors are coefficients that attempt to quantify the amount of greenhouse gas emissions created and released by specific activities.
HARVESTED WOOD PRODUCTS	Harvested wood products can store carbon for as long as they are in use and beyond.

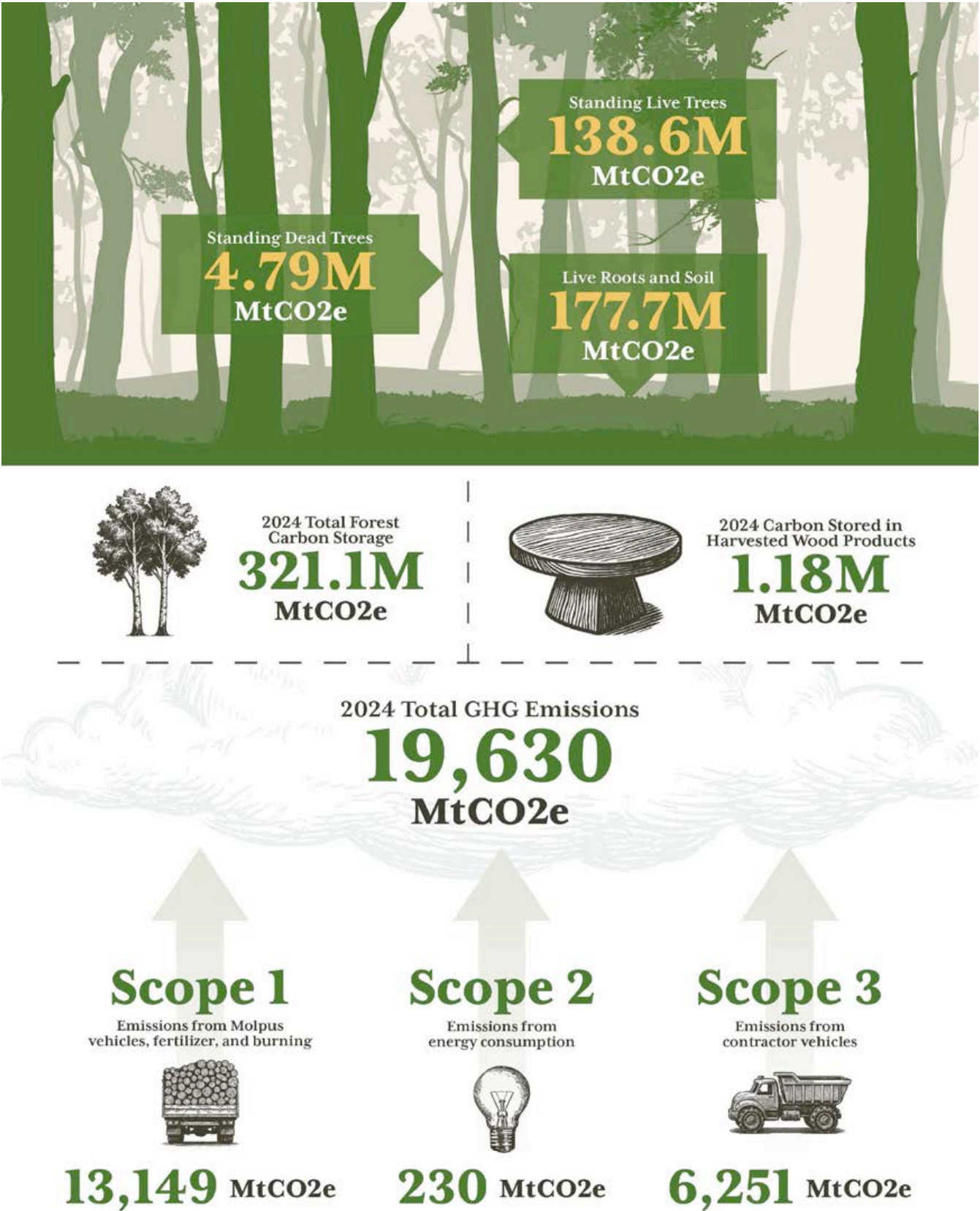
Forest Carbon Credits Offset Air Travel Emissions

Molpus fully offset its 2024 air travel-related carbon emissions for the fourth straight year—by retiring 162 verified carbon credits from an American Carbon Registry native community forestry project in Alaska. These credits represent 162 MtCO₂e. The project generates credits using improved forest management practices that increase carbon sequestration on non-federal forestlands.



OUR CARBON STOCKS BY THE NUMBERS

Scope 1, 2, and 3 emissions are categories to help organizations measure and manage their carbon footprint.



CLIMATE-SMART FORESTRY AND FIRE RESILIENCE

The 2022 SFI Forest Management Standard includes an objective on climate-smart forestry, 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, were 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, like community groups and researchers, exchange ideas and provide some regional information for SFI-certified organizations, which they can use as a starting point in determining climate adaptation actions. SFI helped committees from each region to develop documents to define and address climate concerns specific to forestland stakeholders. Every regional document is based on recommendations from a suite of timberland management strategies to address climate change risks and mitigate greenhouse gas emissions.



THE MOLPUS WOODLANDS GROUP CARBON INTEGRITY POLICY

This policy is designed to ensure the integrity for all carbon projects undertaken or supported by Molpus. This policy applies to all carbon offset and carbon credit projects, as well as other emission reduction initiatives that Molpus engages in, whether directly or via third-party partnerships. This policy is designed to encourage alignment between our carbon projects and associated investments, and the principles from the Integrity Council for the Voluntary Carbon Market and the Joint Statement of Policy and new Principles for Responsible Participation in Voluntary Carbon Markets.

Core Principles

To seek to develop and manage high-integrity forest carbon projects that meet the following core principles:

- **Environmental integrity:** Carbon projects that generate real, measurable, additional, permanent, and verifiable carbon sequestration benefits.
- **Social responsibility:** To support local economies through long-term “buy-local” procurement preference, coupled with efforts to respect the rights of Indigenous Peoples and local communities.
- **Market transparency:** Disclose information about projects, including methodologies, baselines, and monitoring plans where appropriate.



An aerial photograph showing a dense, lush green forest canopy. The trees are tightly packed, creating a textured pattern of various shades of green. A few bare, grey branches are visible, protruding from the foliage. The lighting is bright, suggesting a sunny day.

UN PRI

Our decision to become a signatory to the United Nations-supported Principles for Responsible Investment continues our long-standing commitment to sustainable forest management. We have proudly been a signatory since 2023.



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, 98% 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 U.S. 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 QUALITY EDUCATION

- The Molpus Woodlands Group Annual Scholarship Program is offered at 10 universities.

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 diversify 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 U.S. Forest Service, over half of the U.S. surface water supply originates on forestland, even though forests cover about one-third of the United States, and public and private forestlands 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 who 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.**
- **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 has supported 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, registered or sold approximately 7.4 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 284 million trees since 1998.**

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.



KEY PERFORMANCE INDICATORS

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.





ENVIRONMENT

Finding Natural Solutions to Our Shared Conservation Challenges

At Molpus, sustainable forest management plays a vital role in fostering biodiversity and addressing ecological challenges. By cultivating a diverse mosaic of forest types, structures, and ages across the landscape, we create dynamic habitats that support a wide array of wildlife and aquatic species—ranging from the common to the rare. This holistic approach ensures that ecosystems remain resilient and capable of sustaining biodiversity over the long term. Our commitment to collaboration amplifies our conservation impact. By partnering with researchers, conservation organizations, and local stakeholders, we implement innovative strategies that deliver tangible, positive outcomes for wildlife and their habitats.

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

284 million+

trees planted since 1998

32.6 million

trees planted since 2022

Acres under conservation easements

As of 12/31/2024

384,000

conservation acres

776,000

acres of publicly accessible forests

Number of carbon mitigation projects and tons registered or sold

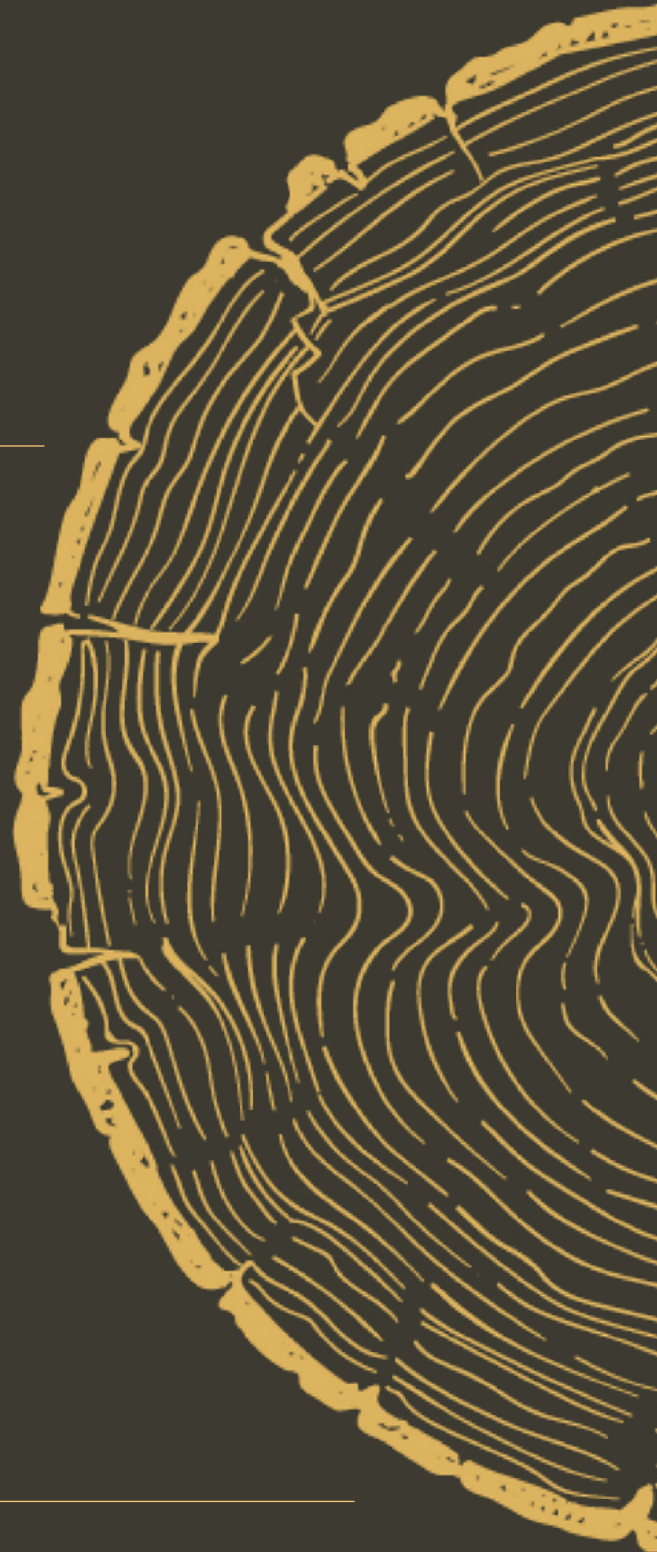
As of 12/31/2024

1 million+

acres of completed projects

7.4 million+

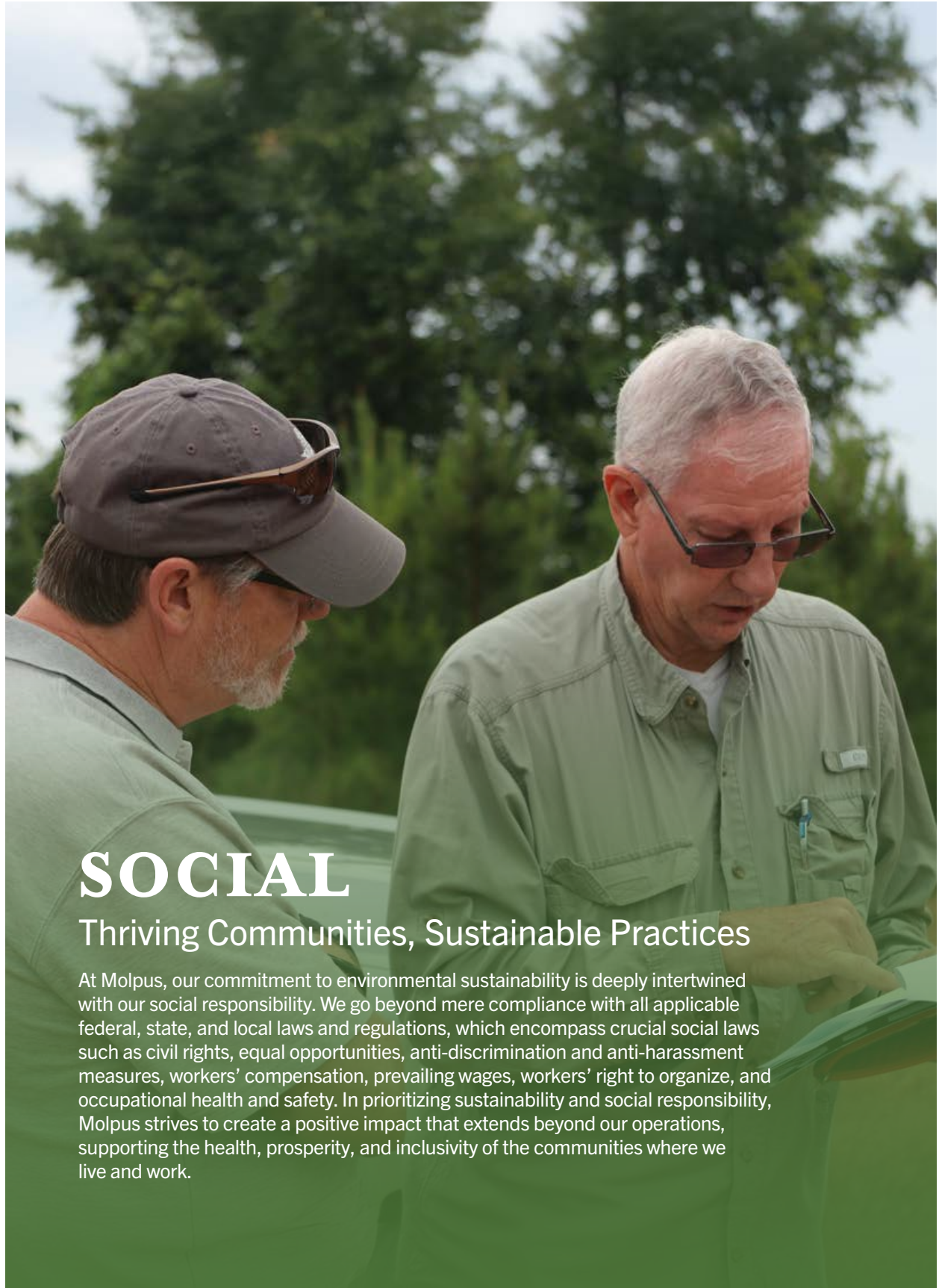
metric tons of offsets sold



RED-COCKADED WOODPECKERS GAINING GROUND IN LOUISIANA AND ALABAMA

In 2024, the U.S. Fish and Wildlife Service downlisted the red-cockaded woodpecker from endangered to threatened status under the Endangered Species Act. This reflects the increasing populations of these birds throughout their range. Five decades of collaborative conservation efforts between the Interior Department, federal and state partners, Tribes, the private sector, and private landowners made this possible. Two red-cockaded woodpecker clusters on Molpus lands in Louisiana and Alabama were monitored during the 2024 nesting season. Conditions remain favorable and stable due to habitat maintenance and a vigorous periodic prescribed burning regime that also continues to maintain the habitat.





SOCIAL

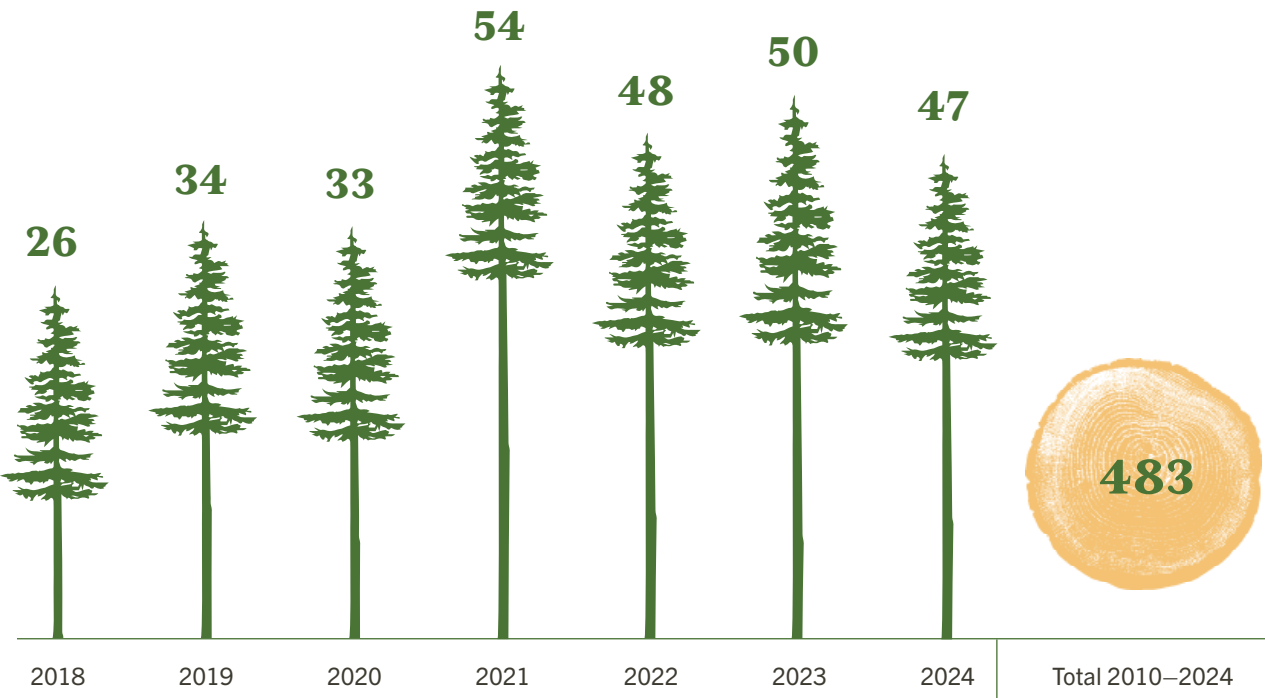
Thriving Communities, Sustainable Practices

At Molpus, our commitment to environmental sustainability is deeply intertwined with our social responsibility. We go beyond mere compliance with all applicable federal, state, and local laws and regulations, which encompass crucial social laws such as civil rights, equal opportunities, anti-discrimination and anti-harassment measures, workers' compensation, prevailing wages, workers' right to organize, and occupational health and safety. In prioritizing sustainability and social responsibility, Molpus strives to create a positive impact that extends beyond our operations, supporting the health, prosperity, and inclusivity of the communities where we live and work.

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 10 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 2024, Molpus employees worked over 212,000 hours with only one minor lost-time accident.

98%

2023–2024

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

EXPANDED THE MOLPUS WOODLANDS GROUP ANNUAL SCHOLARSHIP PROGRAM

The Molpus Woodlands Group Annual Scholarship Program seeks to further diversify forest management through a partnership with 10 universities located throughout the timber-growing regions of the United States.



Auburn University
Forestry



Louisiana State University
Accounting



Michigan Technological University
Forestry



Stephen F. Austin State University
Forestry



University of Idaho
Forestry



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)

“

The Molpus Woodlands Group Fellowship plays a pivotal role in shaping the next generation of leaders in forestry and natural resource management. By providing crucial support to exceptional graduate students, this fellowship fosters academic excellence. It ensures a sustainable future for forest management and empowers these future professionals.

BRIDGET B. HARDEN
SENIOR DIRECTOR OF DEVELOPMENT,
WARNELL SCHOOL OF FORESTRY AND
NATURAL RESOURCES

“

Our annual scholarship program reflects our ongoing commitment to making a meaningful impact beyond our own operations. Partnering with these universities reflects our rich heritage of leadership in the ever-evolving world of forestry. Together, we are dedicated to shaping a bright and dynamic future for youth to become leaders in sustainable timberland management.

TERRELL WINSTEAD
PRESIDENT AND CEO OF MOLPUS

“

The Molpus scholarship has made a tremendous impact on our students. While assisting them financially, the experience and knowledge gained help significantly with their scholarly and professional development. This ultimately increases their workforce value and improves the overall practice of forestry and forest sciences.

DR. JEFF STRINGER
CHAIR AND PROFESSOR, UNIVERSITY OF
KENTUCKY DEPARTMENT OF FORESTRY
AND NATURAL RESOURCES

ANNUAL TEACHERS CONSERVATION WORKSHOP

Molpus has hosted the Mississippi Forestry Association's annual Teachers Conservation Workshop since 2010. Teachers learn about forest ownership, forest technology, forest inventory, and timberland acquisitions. The workshop is sponsored by the Mississippi Forestry Association to offer teachers, school administrators, and other educators the opportunity to learn about conservation efforts and forestry in Mississippi. The workshop features a field trip to Molpus's Hattiesburg, Mississippi offices in the old Tatum Lumber Company headquarters, a once-thriving company town built in 1915 which is now listed on the National Register of Historic Places.

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 Lodges provide 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. The Mississippi Hope Lodge has 32 rooms and helps 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. These employees are encouraged to consider one of three volunteer opportunities.

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. This exhibit has been a favorite of museum visitors since 2004.



Photo credit: Mississippi Museum of Natural Science

VALUING OUR PEOPLE: PAST, PRESENT, AND FUTURE

Our legacy traces its roots to 1905 when Richard H. Molpus, grandfather of retired Molpus Chairman Dick Molpus, and M.H. Henderson co-founded the Henderson-Molpus Mercantile Store. This venture evolved into the Molpus Lumber Company, which later laid the foundation for what is now known as Molpus Woodlands Group. Throughout our long history, many 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.

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.





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 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.



TIMMS MAXIMIZES TIMBERLAND VALUE, SUSTAINABILITY, AND OPERATIONAL EFFICIENCY

Good governance that maximizes the sustainability and returns of timberlands requires strategic planning tools capable of tracking and forecasting numerous biological and financial variables across a diverse portfolio of properties. A cornerstone of Molpus innovation is its proprietary Timberlands Information Management System (TIMMS).

This advanced system integrates Esri's ArcGIS Enterprise Geographic Information System with Microsoft SQL Server, combining spatial and tabular data within an enterprise geodatabase. By leveraging web, desktop, and mobile platforms, TIMMS enables real-time and historical geospatial data analysis to support key business operations.

Recognizing the rapid evolution of GIS technology, Molpus identified opportunities to upgrade TIMMS to harness advancements in data collection, analysis, and visualization. The goal was to deploy modern web technology for a more intuitive and efficient user experience both in the office and the field.

The Solution

To enhance TIMMS, Molpus partnered with VertiGIS, leveraging its expertise in technology and management services. Together, they defined functional requirements, developmental phases, and designed workflows to deliver an updated, web-based GIS built to deliver new and advanced capabilities:

- **Web viewer application:** A flexible application adaptable to evolving technology and capable of supporting future developments with reusable components.
- **Advanced query tool:** Enables the extraction of forest stand data based on specific criteria, forming the basis for management activities such as harvest planning.
- **Stand management module:** Providing in-depth analysis of specific stands through map-based views and tabular data supporting comprehensive resource evaluation.
- **Activities module:** Facilitates the prescription of future activities, either for individual stands or multiple stands simultaneously.
- **Budgeting roll-up tool:** Streamlines data inputs for budgeting processes, simplifying integration into Molpus's templates.
- **Mobile web mapping tool:** Offers robust online and offline access to spatial and non-spatial data supporting navigation, fieldwork, and site tours.

The Result

Molpus initiated the TIMMS project to achieve two primary objectives:

Increase work efficiency: By providing foresters with immediate access to essential information, the upgraded system boosted productivity. Streamlined workflows allowed forestry professionals to focus on high-priority tasks.

Enhance data accessibility for decision-making: Improved data integration and user-friendly interfaces enabled teams to retrieve and analyze information quickly, leading to faster and more accurate decision-making.



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.

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 valued at over \$4 billion.**

Molpus's **vertically integrated business structure** allows us to handle or supervise functions that other firms may outsource to unrelated, third-party contractors.

In-house experts design and implement new technologies that optimize biological growth, maximize sale prices, and enhance client returns.

Molpus is a signatory to the **United Nations-supported 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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