



TIMBERLAND  
INVESTMENT RESOURCES

2023 SUSTAINABILITY REPORT

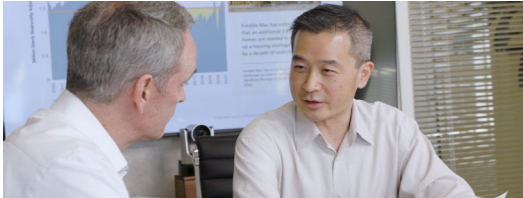
# Creating Value from Sustainable Forestry

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# 2023 SUSTAINABILITY REPORT

## Creating Value from Sustainable Forestry



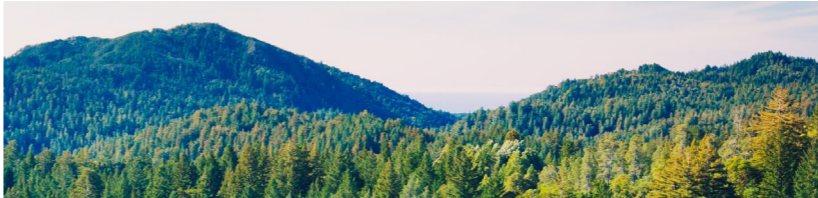
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- Protecting Sensitive Lands and Conserving Biodiversity
- Enhancing Habitats and Protecting At-Risk Species
- Delivering Nature-Based Solutions
- Supporting the Communities Where We Live and Work
- Focusing Governance on Transparency and Accountability



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### About Timberland Investment Resources, LLC

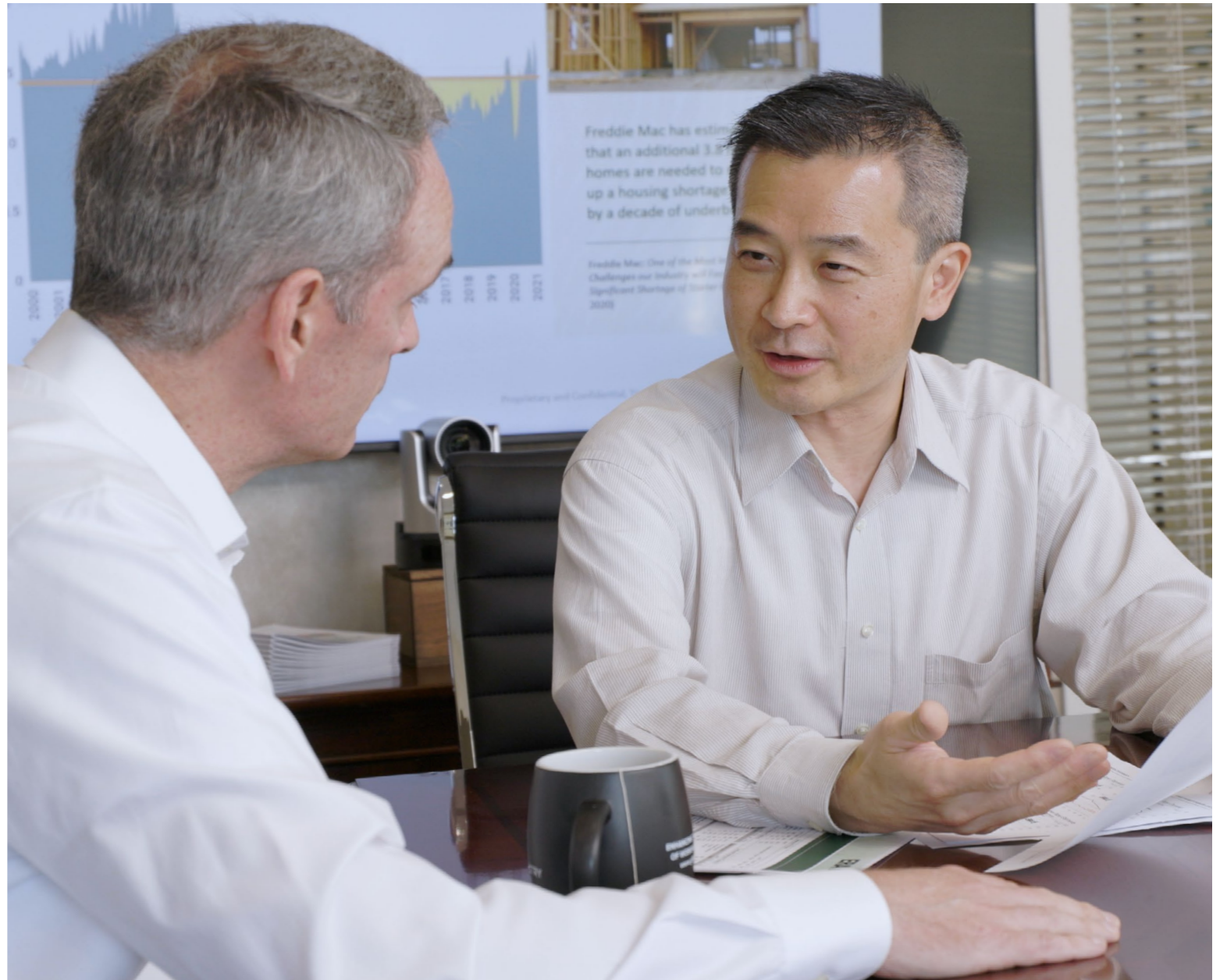
Founded in 2003, TIR is a leading timberland investment management organization. It invests in working forests and related assets on behalf of institutional investors. Its global clientele includes pension funds, foundations, university endowments, family offices, and charitable organizations. Based in Atlanta and with major regional offices in Charlotte, North Carolina and Boston, Massachusetts, as well as an affiliate office in London, the firm currently manages assets valued at more than \$2 billion (\$1.65 billion TIR US, \$418 million TIR Europe). TIR is independently owned and operated by its executive management team. [Learn more at tirllc.com](https://www.tirllc.com) >



# Introduction

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# A Message from Our CEO

I am proud to share with you TIR’s second annual Sustainability Report, which highlights the actions we are continuing to take to ensure the long-term sustainability of our investments and operating activities.

Our goal in writing this report is to provide clarity to our investors, business partners, employees, and wider stakeholders on how we factor environmental and social risks and opportunities into our investment decision-making.

This report is being released as we mark TIR’s 20th anniversary as a firm, one that was founded on sustainability principles. These principles have served TIR clients, the environment, and the communities in which

we operate well. Our dual commitment to sustainability and our fiduciary duty to our investors is interwoven into our team-first culture. This culture has created a highly supportive, collaborative, and productive working environment that has enabled us to be fully aligned and committed to our sustainability principles and thus better serve our clients, communities, partners, and broader stakeholders.

Arguably more than at any other time in history, society is aware of the many critical functions that forests provide including wood supply, climate change mitigation, clean air and water, jobs for rural communities, biodiversity, and an increasing array of new natural capital values. In keeping with this theme, we have titled this year’s report “Creating Value from Sustainable Forestry” to highlight that sustainable forestry is the cornerstone of how we create long-term value for our investors.

This report is being released as we mark TIR’s 20th anniversary as a firm.



Arguably more than at any other time in history, society is aware of the many critical functions that forests provide including wood supply, climate change mitigation, clean air and water, jobs for rural communities, biodiversity, and an increasing array of new natural capital values.

As highlighted throughout the report, we have made significant progress following a structured process of identifying and assessing material sustainability factors of our investments. For example, this year we took a deeper dive into five Sustainability Priorities. We discuss how TIR Europe’s Sustainable Forestry and Natural Capital Fund is structured to generate competitive, long-

term returns and promote environmental and social resilience. Supporting the communities where we work is another important focus. We detail how TIR’s collaboration with various stakeholders to build a state-of-the-art sawmill in Corinth, Mississippi is driving sustainable economic development and prosperity in one rural community.

We trust this report demonstrates our conviction to continually improve our sustainable investment practices and performance. As always, we value and appreciate your feedback.

Sincerely yours,

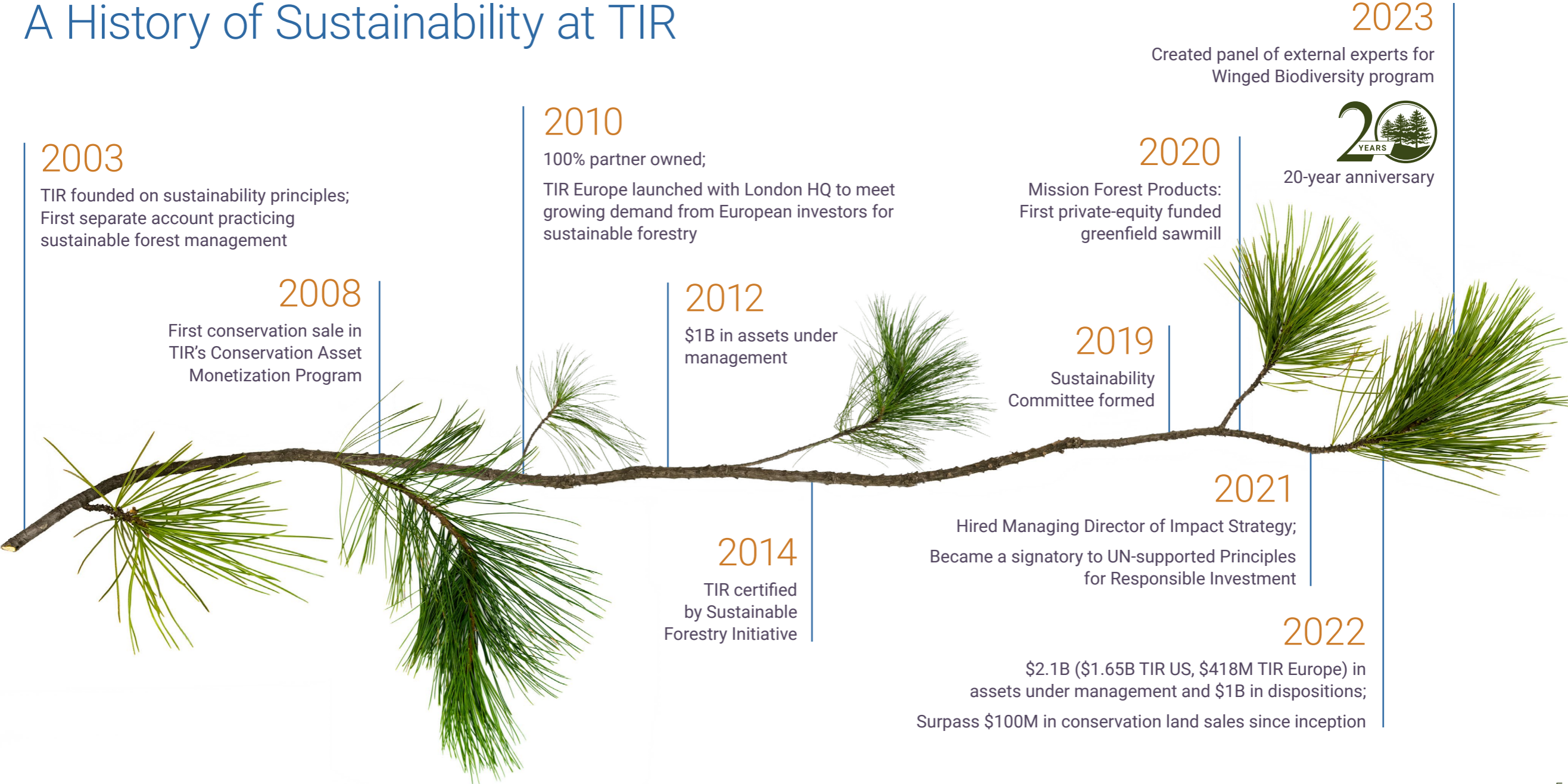
*Mark Seaman*

Mark Seaman  
Chief Executive Officer  
Timberland Investment Resources, LLC





# A History of Sustainability at TIR



2003

TIR founded on sustainability principles;  
First separate account practicing sustainable forest management

2008

First conservation sale in TIR's Conservation Asset Monetization Program

2010

100% partner owned;  
TIR Europe launched with London HQ to meet growing demand from European investors for sustainable forestry

2012

\$1B in assets under management

2014

TIR certified by Sustainable Forestry Initiative

2019

Sustainability Committee formed

2020

Mission Forest Products:  
First private-equity funded greenfield sawmill

2021

Hired Managing Director of Impact Strategy;  
Became a signatory to UN-supported Principles for Responsible Investment

2022

\$2.1B (\$1.65B TIR US, \$418M TIR Europe) in assets under management and \$1B in dispositions;  
Surpass \$100M in conservation land sales since inception

2023

Created panel of external experts for Winged Biodiversity program



20-year anniversary



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# Sustainability Highlights



**\$2.1B** Assets under Management\*

**10.2M** Trees planted on TIR managed lands

**3.3K** Miles of streams protected by BMPs

**73.1M** Metric tons of carbon (tCO2e) stock across merchantable productive area

**100%** Timberland managed offers recreational and/or cultural access

**45K** acres of carbon sequestration projects

**100%** Properties subject to climate-impact analyses

**100%** Harvested stands reforested



Third-party independent certification audits:\*\*

**11** observations of good management practices

**4** opportunities for improvement

**0** major nonconformances

**1** minor nonconformance

**100%** Employee owned

**25** Jobs at TIR

**15** Years average tenure among senior leaders

**\$96.9K** Funding allocated for staff training

**\$23.2K** Funding allocated for community-related initiatives

**99.8%** Acres under third-party sustainability certification

**16%** Women TIR employees

**4%** BIPOC TIR employees

**0** Reported violations of human/labor rights or anti-bribery/corruption/money-laundering laws

**0/0** Number of occupational injury-related hospital visits/fatalities

**70K** Acres sold over the life of TIR's Conservation Asset Monetization Program

**100%** Acquisitions have environmental site assessment and threatened and endangered species reports

\*\$1.65B TIR US, \$418M TIR Europe  
\*\*SFI audit performed by PwC, November 2023



# Sustainability Statement and Principles

## TIR Sustainability Statement

TIR is committed to:

- 1. Integrating sustainability
- 2. Being accountable and transparent
- 3. Working collaboratively
- 4. Ensuring health and well-being
- 5. Practicing sustainable forestry
- 6. Fostering an inclusive workplace
- 7. Promoting continuous improvement



## TIR Sustainability Principles

As an organization, we are committed to being:

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



[Read the full TIR Sustainability Statement and Principles >](#)

### Vision

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

### Mission

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





# Materiality Profile

TIR is striving to monitor, measure, and report on sustainability priorities in addition to material issues and impacts.



## Environment-related impacts

- Land, water, wildlife
- Carbon emissions, output, storage
- Energy usage, intensity, efficiency, percentage from renewable sources
- Chemical use and management
- Supplier/contractor/key service provider sustainability efforts
- Ecosystem services



## Social-related impacts

- Staff diversity
- Labor practices
- Indigenous Peoples' rights
- Employee training, learning, development
- Workplace health and safety
- External community and economic benefit



## Governance-related impacts

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



# Sustainable Development Goals

United Nations Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. TIR’s work directly aligns with the SDGs through landscape-level conservation to help conserve biodiversity and focus on climate change mitigation.

## TIR SDG Tracking Plan

Documentation and tracking are key to supporting SDGs. In 2023, TIR undertook a strategic initiative to elevate the integration of SDGs into our sustainability and impact reporting. The TIR SDG Tracking Plan outlines an intentional effort by TIR to systematically monitor, evaluate, and enhance our performance against these universally recognized goals.

TIR has initially focused on understanding our alignment with the selected SDGs, emphasizing a systematic process to identify activities and indicators. This approach follows industry best practices, allowing us to articulate our connection to the SDGs broadly and providing flexibility for future investment analysis. TIR’s strategic approach to SDG tracking exemplifies our commitment to sustainability and responsible investment practices, positioning our firm as a leader in the timberland investment management industry.

[Learn more about the United Nations Sustainable Development Goals >](#)

TIR's Primary SDG   
  TIR's Secondary SDG

### TIR Primary SDGs

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

<p><b>SDG 6</b>  <b>Clean water and sanitation:</b>          Ensure availability and sustainable management of water and sanitation for all.</p>	<p><b>SDG 8</b>  <b>Decent work and economic growth:</b>          Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.</p>	<p><b>SDG 13</b>  <b>Climate action:</b>          Take urgent action to combat climate change and its impacts.</p>	<p><b>SDG 15</b>  <b>Life on land:</b>          Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt biodiversity loss.</p>
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# Sustainability in Action

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# Sustainability in Action

At TIR, we embrace sustainability as a core value and recognize the central role that working forests play in delivering myriad benefits. Beyond economic assets, these forests contribute significantly to society by providing clean water, air, biodiversity, and wildlife habitat, and enhancing overall community well-being.

As fiduciaries, TIR always prioritizes investor objectives while recognizing the wider societal impact of forest management. This broad perspective acknowledges that while investors are our overriding priority, they are not the sole stakeholders. We consider the interests of the public and local communities, viewing ourselves as stewards guided by a land ethic grounded in professional forestry.

With the benefit of our hands-on approach and active data management, TIR seeks to identify and designate specific lands for special management or to sell to conservation partners for long-term protection. This commitment ensures conservation for future generations and

Operating with a strong set of sustainability values not only fulfills environmental responsibilities but also generates lasting benefits for our clients, communities, and the environment.

aligns with our belief that sustainability enhances the investment process. Operating with a strong set of sustainability values not only fulfills environmental responsibilities but also generates lasting benefits for our clients, communities, and the environment, reinforcing TIR's role as stewards of both financial and ecological wealth.

## TIR Sustainability Priorities:

1

Protecting Sensitive Lands and Conserving Biodiversity

2

Enhancing Habitats and Protecting At-Risk Species

3

Delivering Nature-Based Solutions

4

Supporting the Communities Where We Live and Work

5

Focusing Governance on Transparency and Accountability



# 1 Protecting Sensitive Lands and Conserving Biodiversity

Sensitive lands, such as wetlands, harbor invaluable biodiversity, including myriad species of plants and animals essential to ecosystem functioning. Sustainable forestry techniques, like selective logging and leaving buffers along riverbanks, help maintain forest cover and biodiversity, while safeguarding vital ecosystem services such as sequestering carbon, cleaning air and water, and stabilizing soil.



In addition to serving as the program’s lead financial sponsor, TIR pledged to make the lands we manage in Georgia and elsewhere more accessible to birders and bird researchers who are studying the influence of avian species on forest-based ecosystems.

## The TIR Winged Biodiversity Program

TIR is developing a program to maintain or enhance habitat for birds, bats, and pollinators called “Winged Biodiversity,” which is planned for launch in 2024. Winged Biodiversity has its roots in a program called “Working Forests for Birding” based on a collaboration between Birds Georgia (formerly Georgia Audubon), the Georgia Forestry Foundation, and TIR that began in 2022. In addition to serving as the program’s lead financial sponsor, TIR pledged to make the lands we manage in Georgia and elsewhere more accessible to birders and bird researchers who are studying the influence of avian species on forest-based ecosystems.

The Winged Biodiversity program is guided by a panel of experts helping TIR to determine best management practices to promote winged biodiversity in forest management plans. The expert panel includes state wildlife departments, university researchers, and other conservation organizations.

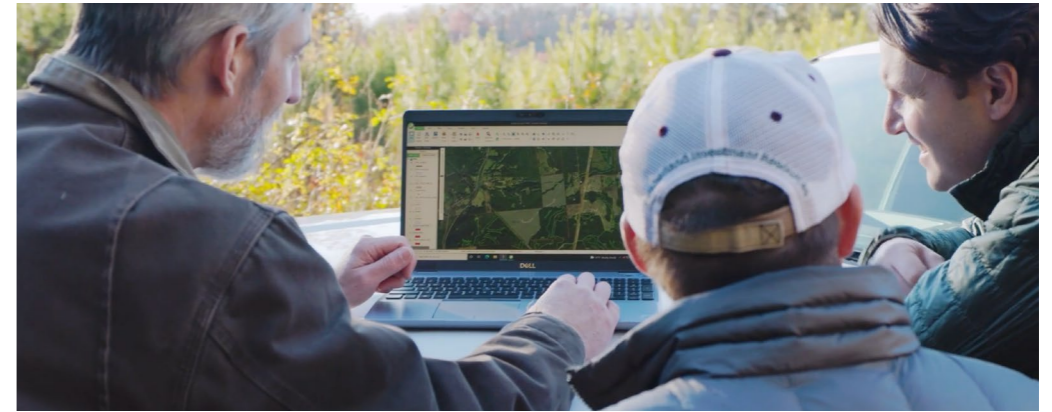




### Birds, bats, and pollinators serve as vital indicators of forest health

Healthy birds, bats, and pollinators mean healthier forests and enhanced biodiversity. Raptors such as hawks, eagles, and owls contribute to ecosystem balance by regulating rodent and small mammal populations, preventing damage to forest ecosystems. Similarly, songbirds, woodpeckers, sapsuckers, and bats play pivotal roles in sustaining forest vitality. They aid in seed dispersal and help control insect populations, safeguarding both hardwood and softwood trees from potential harm. Bees are indispensable for supporting plant diversity and soil health through their crucial role as pollinators.

By addressing the needs of various birds, bats, and pollinators, we can better gauge the health of ecosystems and promote forest management practices that ensure their sustainability. Sustainable forest management not only benefits flying creatures, but it also yields broader environmental advantages such as improved water quality and enhanced carbon sequestration.



### SUSTAINABILITY IN ACTION

#### Producing the data to enhance winged biodiversity

TIR's Winged Biodiversity program aims to generate valuable data and develop methodologies that highlight the conservation merits of working forests for winged biodiversity. For example, sustainable forest management involves the preservation of crucial nesting sites and the maintenance of diverse canopy structure, catering to the varied needs of different bird species. By maintaining a balance between harvesting activities and habitat preservation, sustainable practices ensure the longevity of ecosystems that birds and other flying creatures depend on for nesting, feeding, and shelter.



By addressing the needs of various birds, bats, and pollinators we can better gauge the health of ecosystems and promote forest management practices that ensure their sustainability.



# 2 Enhancing Habitats and Protecting At-Risk Species

Sustainable forest management plays a pivotal role in enhancing habitats and protecting at-risk species. By ensuring forests remain healthy and resilient, sustainable forest management promotes the long-term viability of habitats and the species within them, ultimately supporting the health of our planet.

## Protecting the Florida Torrey Tree, North America's Most Endangered Conifer

The Florida torrey is North America's most endangered conifer, with less than one percent of its population remaining, according to the Yale School of the Environment. This member of the yew

family is located on one of TIR's properties in Florida. A popular 19th century source of fenceposts, shingles, and fuel, the torrey tree survived overharvesting only to be attacked by a fungus starting in the mid-1940s. Today, torrey saplings sprout from old roots and are often killed by fungus before they are mature enough to reproduce.

### SUSTAINABILITY IN ACTION

The State of Florida recorded the location of torrey trees, and TIR ensured the trees would not be impacted by current and future harvesting operations.



The laurel dace (*Chrosomus saylori*) is an endangered and rare freshwater minnow native to Tennessee.

Chattanooga Aquarium staff performing laurel dace count in Bumbee Creek, Rhea County, Tennessee.

## The Laurel Dace: Conserving Its Last Known Habitat

The laurel dace, a type of minnow, lives in Bumbee Creek on the Cumberland Plateau in Tennessee. This is the only known location of the fish. To prevent silting of the creek, we have established buffers along the creek where no timber harvesting will occur.

### SUSTAINABILITY IN ACTION

TIR has worked cooperatively with the U.S. Fish and Wildlife Service (USFWS) to protect this habitat by replacing a smaller culvert with a larger one to allow the fish to move upstream. The flat-bottomed creek is monitored by the Chattanooga Aquarium as part of USFWS recovery plans, and aquarium staff perform periodic fish counts in the creek to determine the health of the population.



### Helping Bats in Georgia with White-Nose Syndrome

Along with cave-dwelling bats across North America, the tricolored bat is suffering the effects of a deadly fungal disease called white-nose syndrome. In 2022, the U.S. Fish and Wildlife Service proposed listing the tricolored bat as endangered under the Endangered Species Act.

SUSTAINABILITY IN ACTION

TIR foresters manage the land adjacent to a cave in ways that support the largest hibernating tricolored bat colony in Georgia. More than 458 tricolored bats were observed in the last visit by the Georgia Department of Natural Resources. That's good news for bats and for all of us who depend on them. Consider that bats contribute about \$3.7 billion worth of insect control every year. This reduces pesticide use by U.S. farmers, according to the White-Nose Syndrome Response Team, which is supported by the U.S. Fish and Wildlife Service.

Wayne Anthony, Senior Investment Forester, and members of the Georgia DNR visit a bat cave on TIR's property in southwest Georgia.

### Conserving the White Fringeless Orchid

The white fringeless orchid is native to the southeastern and south-central United States. A perennial herb, it was listed in 2016 as a threatened species under the Endangered Species Act. This flower-like plant is found in partially shaded, flat, boggy areas at the head of streams. Changes to the plant's access to water is the biggest threat to this species.

SUSTAINABILITY IN ACTION

An agreement involving the Nature Conservancy established a conservation easement managed by TIR with forest management requirements that include conserving the orchid.



Photo by B&E Roberts





# 3 Delivering Nature-Based Solutions

Sustainable forestry harnesses the power of forests to sequester carbon dioxide from the atmosphere. Forests act as carbon sinks, absorbing CO2 through photosynthesis and storing it in trees, soil, and organic matter. Sustainable forestry enhances carbon storage capacity by keeping forests healthy. Forests also contribute to climate resilience by regulating temperatures, mitigating extreme weather, and maintaining hydrological cycles.

## Creating Forest-Based Carbon Sinks and Producing High-Quality Carbon Credits

Forests play a crucial role in absorbing and storing significant amounts of carbon dioxide through the process of photosynthesis, which fuels plant and tree growth. This means sustainable forest management and the establishment of new forests are essential components of global strategies to mitigate climate change.

In 2022, TIR initiated a strategy to develop carbon projects on the lands we manage for our clients. In previous years, we successfully developed and sold carbon offset credits in the voluntary carbon market from our clients' portfolios. Building on this, we executed a more ambitious endeavor in 2023 to devise a comprehensive method for calculating carbon storage on our clients' lands.

### SUSTAINABILITY IN ACTION

We are actively involved in multiple carbon sequestration projects impacting over 45,000 acres of land through carbon sequestration and storage. We are engaged with multiple stakeholders about prospects for additional carbon sequestration projects.

Looking ahead, we aspire to address the forest-based carbon credit market's key challenge – inconsistency and lack of transparency in carbon accounting methods. We support ongoing efforts to develop and evaluate new carbon accounting methodologies, aiming to establish greater uniformity and transparency. These endeavors promise to benefit forest investors, including our clients, by providing more reliable assessments of project-level credit volumes and the overall quality of credits offered by competing forest-carbon projects.



## The TIR Conservation Asset Monetization Program

A milestone event occurred in 2008, when we collaborated with The Conservation Fund to sell a mixed-species forest on the Cumberland Plateau to the Tennessee Department of Environment and Conservation. This transaction not only ensured the perpetual protection of the picturesque forest but also enabled the state to expand the existing Savage Gulf Natural Area, granting public access for recreational purposes. This marked the inception of TIR's Conservation Asset Monetization Program.



### SUSTAINABILITY IN ACTION

Since that inaugural success, our Conservation Asset Monetization Program has facilitated the sale of over 70,000 acres. Collaborations with state and federal agencies, alongside leading conservation organizations like The Nature Conservancy and The Trust for Public Land, have resulted in over 50 transactions, yielding approximately \$115 million in revenue for our clients. Notably, in 2023 alone, we orchestrated five separate transactions, selling approximately 3,300 acres across three states to conservation organizations.

## TIR Europe's Sustainable Forestry and Natural Capital Fund Generates Competitive, Long-Term Returns and Promotes Environmental and Social Resilience



TIR's European affiliate launched a new fund in 2023 to meet the growing demand for sustainable natural capital solutions. The TIR Sustainable Forestry and Natural Capital Fund focuses on working forests that have the potential to generate long-term asset appreciation and ongoing cashflow while also providing investors with tangible environmental returns.

The fund provides non-U.S. investors with an opportunity to invest in core timberland assets, primarily in the U.S. South, with a particular emphasis on generating value from sustainable forest management and TIR's efforts to monetize natural capital values. These values include attributes like their potential to store carbon, to be acquired or encumbered for conservation, to generate clean energy from renewable sources like solar and wind technologies, and to host wetland mitigation banks. A wetland mitigation bank is a wetland, stream, or other aquatic area that has been restored, established, enhanced, or preserved to provide compensation for unavoidable impacts to aquatic resources.



TIMBERLAND INVESTMENT RESOURCES LLP

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# 4

## Supporting the Communities Where We Live and Work

Sustainable forestry plays a crucial role in supporting the communities where we live and work by fostering economic resilience, environmental stewardship, and social well-being. Sustainable forestry ensures the long-term health and productivity of forests, which are vital sources of timber, clean water, and biodiversity. Forestry also sustains local industries, creates job opportunities, generates revenue for communities, and offers recreational opportunities.



The TIR Rural Impact Strategy aims to provide the impact investment community with an innovative forest-focused investment opportunity.



### TIR Developing Rural Impact Strategy to Tap Market Potential and Sustain Communities

The TIR Rural Impact Strategy aims to provide the impact investment community with an innovative forest-focused investment opportunity. According to the Urban Institute, persistent poverty affects approximately one in seven rural counties in the United States – despite the abundance of privately owned working forests and natural resources in these areas. TIR has identified economically disadvantaged rural areas in major timber-producing regions of the United States with untapped forest investment and timber-processing potential.

Structural deficiencies, such as depressed wood markets and inadequate infrastructure, have historically deterred investment in these areas. The TIR Rural Impact Strategy is designed to place economic development capital in rural communities like these to break the cycle of poverty while connecting local communities to the wealth generated from their rural resources.

Above and Right: LISC local non-profit partner, the Legacy Institute, building affordable housing in Lufkin, Texas. This is an example of how LISC operates in rural communities. TIR plans to leverage this type of partnership in its Rural Impact Strategy.



TIR's Rural Impact Strategy represents a bold initiative to channel capital into forest sustainability and economic development in rural communities.

**Strategic partnerships are key**

TIR has established a strategic partnership with the Local Initiatives Support Corporation (LISC). This standard bearer of rural community development is a specialist non-profit intermediary with a track record in fighting poverty in non-metropolitan communities. TIR is partnering with LISC and its subsidiary Broadstreet Impact Services. This collaboration combines TIR's forest investment expertise with LISC's network of community-based organizations and expertise in impact measurement and management. We believe partnering with LISC will help ensure that TIR's Rural Impact Strategy contributes to the economic well-being of – and is accountable to – rural communities. LISC will advise how the strategy manages our targeted social impact work in areas like workforce development.

TIR's Rural Impact Strategy represents a bold initiative to channel capital into forest sustainability and economic development in rural communities. By bridging market inefficiencies with creative solutions, TIR aims to create a lasting positive impact on the economic prospects of depressed rural areas while promoting forest sustainability.



**Securing commitments from impact-first investors**

TIR's objective is to secure commitments primarily from patient, impact-first investment capital from U.S. private foundations. Charitable foundations invest to generate competitive financial returns and support initiatives aligned with their missions. These program-related investments prioritize impact over financial returns, making them ideal partners for TIR's Rural Impact Strategy.

Justin Fier, Managing Director, Impact Strategy, and Matt Lowe, Senior Investment Forester, discuss TIR's Rural Impact Strategy with Nadia Villagrán, LISC VP and Rural LISC Director.



## Mission Forest Products Sawmill’s Impact on a Local Community

Mission Forest Products Sawmill has bolstered rural economic development in Corinth, Mississippi. In many rural areas across the United States, the forest products industry serves as a vital source of employment and economic prosperity. In the autumn of 2022, the sawmill in Corinth conducted its inaugural test run of the production line, marking a significant milestone in its development.

### 250 million board feet of lumber from a state-of-the-art facility

This state-of-the-art facility boasts an annual output of 250 million board feet of lumber, positioning it as one of the largest and most technologically advanced sawmills in the U.S. South. Operating in two shifts, the mill uses locally sourced timber. Actively engaging with local landowners for wood procurement

not only bolsters the community but also encourages forest replenishment efforts.

From an economic standpoint, the presence of the mill provides significant economic benefits to both the state of Mississippi and the city of Corinth. Its operation is anticipated to generate increased tax revenue, stimulate business activity, and create 160 job opportunities for salaried and hourly professionals. It will also foster ancillary employment opportunities for forestry, logging, silvicultural, and trucking services necessary to facilitate its operation.



With construction now finalized, the mill officially commenced operations in 2023.

Above: Forklift moving green lumber from the sawmill to the dry kilns. Right: Logs moving to the center line in the sawmill.



“This project was funded by current institutional investment clients of ours as well as new investors. It is not only expected to generate an attractive return on investment, but it also will be an important new outlet for the sustainably grown, high-quality timber for which the region is known.”

— Mark Seaman, CEO, TIR



Above: Mission’s high-quality finished products.  
Right: Dried lumber moving to the planer mill for finishing.

### Collaboration between investors, government, and industry key

To realize these opportunities, TIR and Mission Forest Products have collaborated closely with various stakeholders, including the office of Mississippi Governor Tate Reeves, the Mississippi Development Authority, the Alliance of Corinth, the City of Corinth, the Alcorn County Board of Supervisors, the Appalachian Regional Commission, and the Tennessee Valley Authority. This collaborative effort underscores our commitment to driving sustainable economic growth and prosperity in rural communities, exemplifying our dedication to fostering positive change through strategic partnerships and impactful initiatives.





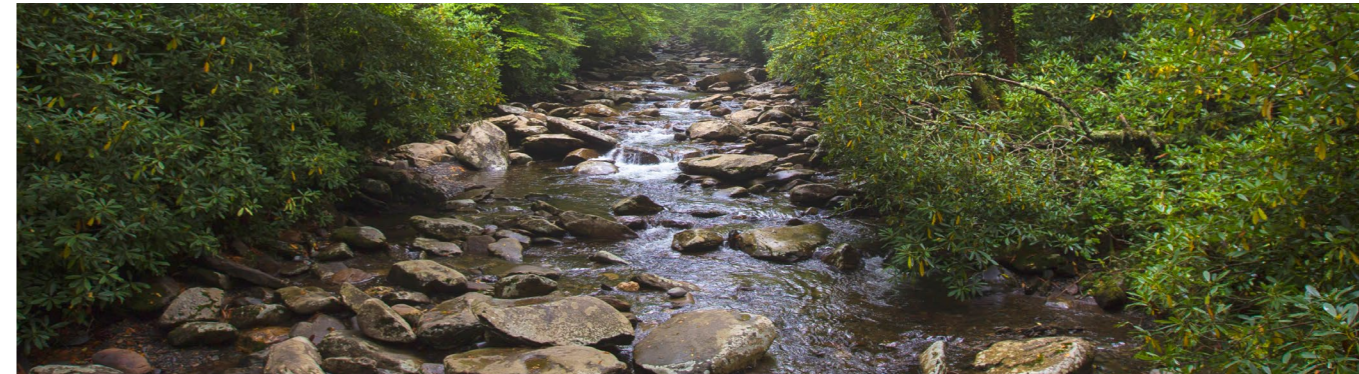
## A Brighter Future for Solar Energy Infrastructure and Wetland Mitigation Banks

TIR's investment strategy extends beyond traditional forestry management to leverage other sustainable investment opportunities. Establishing solar energy infrastructure and environmental mitigation banks on our clients' lands is a key focus.

These initiatives not only diversify revenue streams for investors through fee generation and the sale of mitigation credits, but they also yield significant benefits for the communities hosting these projects.

### **Solar energy projects expand local power grids**

The development of solar energy projects on our land base is contributing to the expansion of renewable energy capacity in local power grids, addressing the growing demand for clean energy. We have approximately 50,000 acres under option/lease for a total of +/- 5 gigawatts of power.



By providing power to service centers, research facilities, manufacturing plants, and retail outlets owned by major corporations, these projects are expected to facilitate economic growth and job creation in rural and semi-rural areas. These projects will also play a vital role in improving local air quality by reducing CO2 emissions.

### **Wetland mitigation banks enhance water quality**

Establishing wetland mitigation banks on our clients' properties enhances water quality in the region and mitigates commercial and residential development in surrounding communities. TIR sold a conservation

easement on approximately 448 acres in Georgia for a potential mitigation bank. TIR retained the land, and if the bank development is successful, it will create high-quality mitigation credits, to allow developers to offset their environmental impacts, thereby facilitating sustainable growth without compromising ecosystem integrity.

Our ventures into solar energy infrastructure and environmental mitigation banking not only generate financial returns for investors but also foster regional development, job creation, and environmental stewardship, aligning with TIR's commitment to responsible and sustainable land management practices.



Forestry Service Providers who understand how their professional responsibilities are deeply connected to advancing sustainability practices are better equipped to protect and enhance ecosystem health.

### TIR Supports Professional Training for Foresters

TIR conducts an annual training program with TIR staff and Forestry Service Providers (FSPs) that goes beyond the training commitment required by the Sustainable Forestry Initiative (SFI). Forestry operations often entail complex tasks, such as selective harvesting and reforestation, that require specialized knowledge and skills to execute sustainably. FSPs who understand how their professional responsibilities are deeply connected to advancing sustainability practices are better equipped to protect and enhance ecosystem health.

Our FSP training program comprises eight hours of training and covers such topics as best management practices (BMPs), streamside management zones (SMZs), biodiversity, soil productivity and health, use of chemicals, forest health, threatened and endangered species, and Forests of Exceptional Conservation Value (FECV). Safety training is also a crucial component, addressing the inherent risks associated with forestry work and equipping workers with the skills to mitigate these risks effectively.







Mark Seaman, CEO, at American Bird Conservancy/Georgia SFI State Implementation Committee's "Managed Forests for Birds" workshop.

**SFI certification training requirements promote sustainable forest management on the ground**

The SFI certification program encompasses training requirements designed to promote sustainable forest management practices and support rural workforce development. These training initiatives cover a broad spectrum of topics relevant to forestry operations, ranging from forest management practices to safety protocols and environmental education. Annual training is a condition of TIR's SFI certification.

**Environmental education is key to forestry worker training**

Environmental education is another key focus area of SFI training requirements. Workers are educated about the importance of protecting water quality, conserving wildlife habitats, and preserving biodiversity. By instilling a deep understanding of environmental stewardship principles, SFI training empowers workers to make informed decisions that prioritize the ecological integrity of forest landscapes.

**Giving Back to the Communities That Give So Much to Us**

TIR volunteer efforts embody our values. We support a variety of organizations and community betterment activities, including but not limited to:



Georgia Forestry Foundation/Birds Georgia's "Working Forests for Birding" field day sponsored by TIR.



# 5 Focusing Governance on Transparency and Accountability

## TIR Workplace Culture Policy Delivers Benefits for Staff, Company, and Clients

At TIR, our people are our most important asset. We understand that diverse minds can maximize team potential, allowing us to innovate, have better business outcomes, and ultimately improve our ability to serve our clients and stakeholders with the greatest economic returns.

The leadership of TIR is committed to a workplace culture policy based on respect for all people, an appreciation of differences, open communication, accountability for behavior, and a growth mindset, where risks can be taken without fear of retribution.

In 2023, we administered a firm-wide survey for development of a baseline dataset from which we will make continuous improvements and strengthen TIR's

workplace culture through strategic priorities. We held an educational session in small discussion groups throughout the firm which culminated in a session at TIR University to discuss workplace challenges and opportunities for improvement. Our Workplace Culture Working Group met throughout the year in coordination with our consultant and has created a reference library for staff seeking additional resources.



“At TIR, we are committed to a workplace culture where everyone feels their contribution is important and valued.”

– Mark Seaman, CEO, TIR



## TIR Sustainability Committee

The cross-functional TIR Sustainability Committee ensures that we operate in accordance with strong sustainability principles and reaffirm our commitment to operating with honesty, integrity, and transparency. The committee’s primary role is to recommend sustainability-related policies and procedures suitable for TIR in the execution of its mission and operations.

The committee is chaired by Justin Fier, Managing Director, Impact Strategy, to ensure its work is adequately prioritized and resourced.

The TIR Sustainability Committee’s cross-functional makeup ensures that sustainability is a shared responsibility at all levels of the firm.

Founded in 2019, the nine-person committee also helps us take stock of our own strengths and weaknesses and develop new ways to leverage and address them. Ultimately, the committee’s work enables us to continually work to set the bar even higher for evaluating our performance as a leading forest investment manager. The committee’s work has led to a variety of new initiatives that have helped bolster our sustainability programming.



## 2023 Highlights



**Continued to develop TIR’s Environmental, Social, and Governance (ESG) Performance Management framework** with a special focus on streamlining ESG considerations in investment committee communications.



**Enhanced TIR’s sustainability tracking and reporting** to better align with the EU’s Sustainable Finance Disclosure Regulation, in particular regarding carbon reporting.



**Educated the firm on diversity, equity, and inclusion** to further enrich TIR’s workplace culture.



**Advised the firm on a range of specific sustainability issues** including the expansion of strategic partnerships, regarding its growing focus on winged biodiversity (see page 13).





## TIR University Offers Professional Development

TIR University (TIR-U) is an annual event for all TIR staff featuring two days of classes in Atlanta. We have regularly held TIR-U since 2015. In addition to TIR employees and staff, a total of 21 guest speakers have spoken at TIR University since its inception. These include non-profit organizations (The Nature Conservancy and SFI), academia (North Carolina State University and the University of Georgia), consultants (American Forest Management), and industry professionals (Georgia-Pacific).

New developments in forest productivity research – leveraging “big data” to inform management prescriptions with regional soil mapping

Understanding European capital markets

Fostering TIR’s workplace culture with an emphasis on entrepreneurship, collaboration, diversity, equity, and inclusion

Emergence of natural capital solutions and impact investing in forestry

10 years of thought-provoking questions and debate at TIR-U

Contrasting forest management across geographic regions – physiographic differences, market dynamics, and impact on return opportunities

Recognizing interpersonal dynamics within the workplace – personality traits, effective communication, etc.

Challenging the status quo of business processes ranging from disposition planning to data reporting

Evolving state of forest policy and regulation on the federal and state level



# Partners & Affiliations

Partners & Affiliations 30





# Partners & Affiliations

Partnerships and affiliations are instrumental in advancing our sustainability efforts. Collaborating with like-minded organizations allows us to leverage diverse expertise, resources, and perspectives towards shared sustainability goals. Whether it's joining forces with conservation groups, academic institutions, or industry peers, these partnerships amplify our impact and facilitate innovative solutions to complex sustainability challenges.



## Sustainable Forestry Initiative (SFI)

SFI advances sustainability through forest-focused collaborations. It is an independent, nonprofit organization that leverages four interconnected pillars of work: standards, conservation, community, and education.



## National Council for Air and Stream Improvement (NCASI)

NCASI serves the forest products industry as a center of excellence providing unbiased, scientific research and technical information necessary to achieve the industry's environmental and sustainability goals.



## Principles for Responsible Investment (PRI)

The PRI is a UN-supported network of investors working to promote sustainable investment through the incorporation of environmental, social, and governance principles.



## National Alliance of Forest Owners (NAFO)

NAFO is a national advocacy organization committed to advancing federal policies that ensure our privately owned working forests provide clean air, clean water, wildlife habitat, and jobs through sustainable practices and the creation and support of strong markets for forest-based products and services.



## Local Initiatives Support Corporation (LISC)

Founded in 1979 by the Ford Foundation, LISC is a nimble non-profit that forms and facilitates community-level partnerships that connect hard-to-access public and private resources, specifically the capital and organizational powers of governmental entities, foundations, endowments, and for-profit entities, with underinvested places.



## World Forestry Center (WFC)

The WFC is focused on promoting and sustaining global support for the economic, ecological, and social benefits of the world's forests.



### Public Agencies and Trade Associations

- State departments of natural resources and state forest services
- State forestry associations
- NAFO
- U.S. Fish and Wildlife Service
- U.S. Environmental Protection Agency
- U.S. Forest Service
- U.S. National Parks Service
- U.S. Bureau of Land Management

### Conservation Organizations



### Academic and Research Organizations

- North Carolina State University College of Natural Resources
- Duke University – Nicholas School of the Environment
- University of Georgia’s Warnell School of Forestry and Natural Resources
- National Council of Real Estate Investment Fiduciaries’ (NCREIF) Timberland Investment Committee

None of the groups, organizations, or entities listed herein have directly or indirectly passed on or made any recommendation or endorsement of TIR, its affiliates, or any of the services or products they provide.



## TIMBERLAND INVESTMENT RESOURCES

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