



**FOREST
INVESTMENT
ASSOCIATES**

2020 Sustainability Report

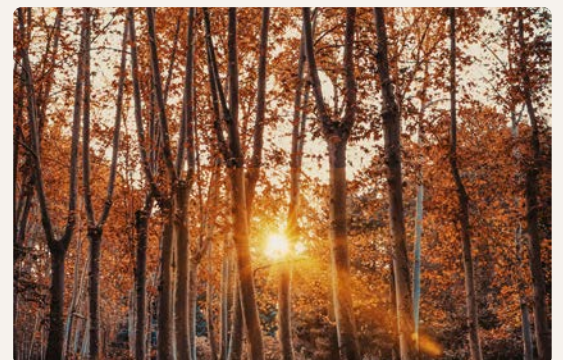


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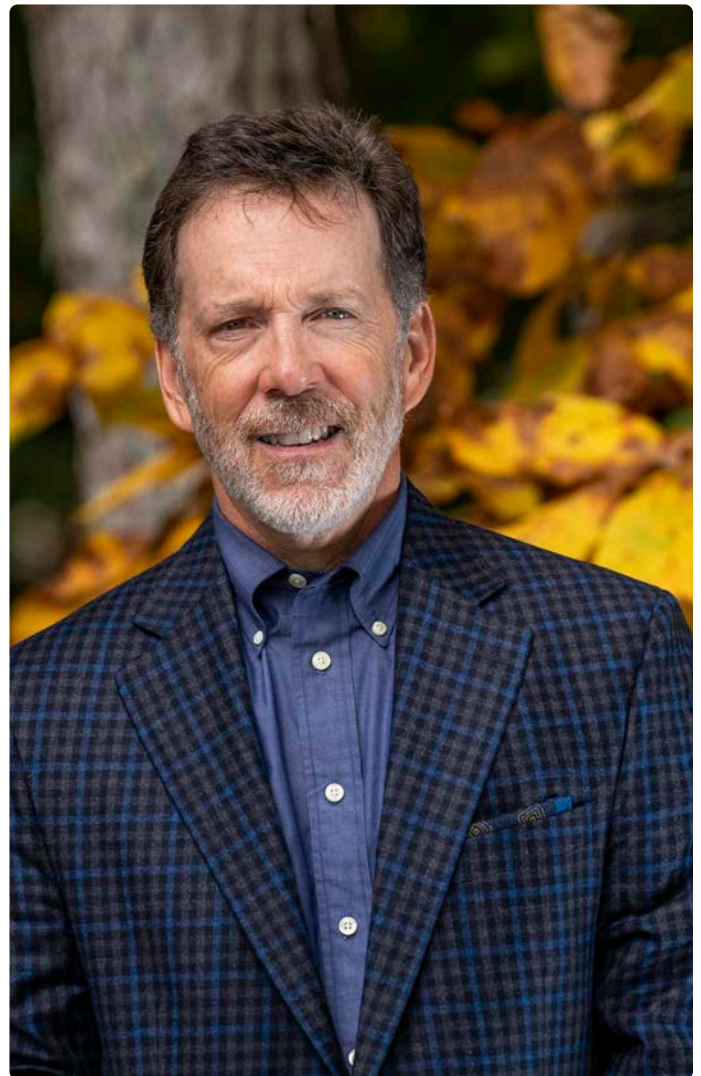
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A Message from Marc Walley, President of Forest Investment Associates

One of the traits of resilient people and resilient companies is to find meaning in adversity, then grow better and stronger from the experience. The year 2020 will forever be characterized as one of great adversity given the harsh realities brought on by the global COVID-19 pandemic. We have all been touched in personal and different ways, whether with significant illness or the loss of loved ones due to the pandemic, the isolation and loneliness of lockdowns or in the disruption of our normal business operating routines. Our collective thoughts and prayers go out to all who have struggled and suffered loss this past year. While we at Forest Investment Associates have endured our own challenges, the FIA team has displayed remarkable resilience, and I am grateful for everyone's openness, creativity and perseverance.

After a nervous and uncertain first month of the pandemic, timberland and forest products markets proved resilient as well. A do-it-yourself-at-home boom early in the pandemic coupled with single family home sales that exploded during the latter half of 2020 drove lumber and structural panel prices to all-time highs, severely straining the building products supply chain in the process. More recently, timber prices have also strengthened in most markets where we operate. We are excited about these trends and believe they portend a promising future for both timberland investments and the forest products manufacturing sector.

Each year FIA focuses its annual sustainability report on a topic important to forests and the goods and services they produce for society. This year we feature the contribution of forests to rural communities and to the rural economy. Across the globe wherever sustainably managed forests exist, they are a primary contributor to the fabric and



resiliency of rural communities. Sustainably managed forests provide jobs, clean air and water, wildlife habitat, recreation opportunities, solutions that help mitigate climate change and a host of other important attributes.

Today, society's growing environmental awareness and desire to become better stewards of our natural world are creating demand and ever-increasing needs for sustainable businesses and sustainable ecosystems.

Responsibly managed forests are one of the few truly renewable natural resources that meet today's needs while also meeting the needs of future generations. At FIA we are proud to be trusted with the management of these societal goods and services, which are central to the health and prosperity of rural communities that thrive from their interwoven relationships with forests.

FIA strives to continuously improve the management of forests under our stewardship. By incorporating evolving sustainability principles and helping develop and shape new markets for forest goods and services such as

voluntary carbon markets or conservation easements, we continue to strengthen and expand our sustainable forest management practices.

In closing, we hope you find this sustainability report both educational and interesting and look forward to answering any questions you may have.

Best regards,
Marc Walley
President, Forest Investment Associates



FIA – Rooted in Sustainable Forestry

Forest Investment Associates (FIA) has been a leading provider of timberland investment services for over 35 years, and we engage in responsible investment (RI) because we recognize that achieving a competitive financial return on clients' investments is dependent upon the long-term ecological well-being of forests and the health of the local communities where our forests are located. As a timberland investment management organization (TIMO) that currently manages 4.3 billion USD of forestland investments around the globe on behalf of its clients, FIA strives to apply a consistent approach to environmental, social and governance (ESG) management across our entire portfolio and responsible investing is a primary factor in our management.

FIA remains dedicated to our mission to provide high-quality, sustainable forest investments that deliver superior performance while cultivating client relationships based on mutual trust and exceptional service. This mission is supported by FIA's RI commitment, which means that we strive to consider material ESG factors throughout our investment activities. Our RI approach has evolved from and builds upon our longstanding commitment to forest stewardship, because we believe that responsibly managing forests not only limits risk but also creates positive outcomes for our clients, the environment and society. To accomplish these outcomes through active management, FIA uses environmentally sensitive forest conservation practices

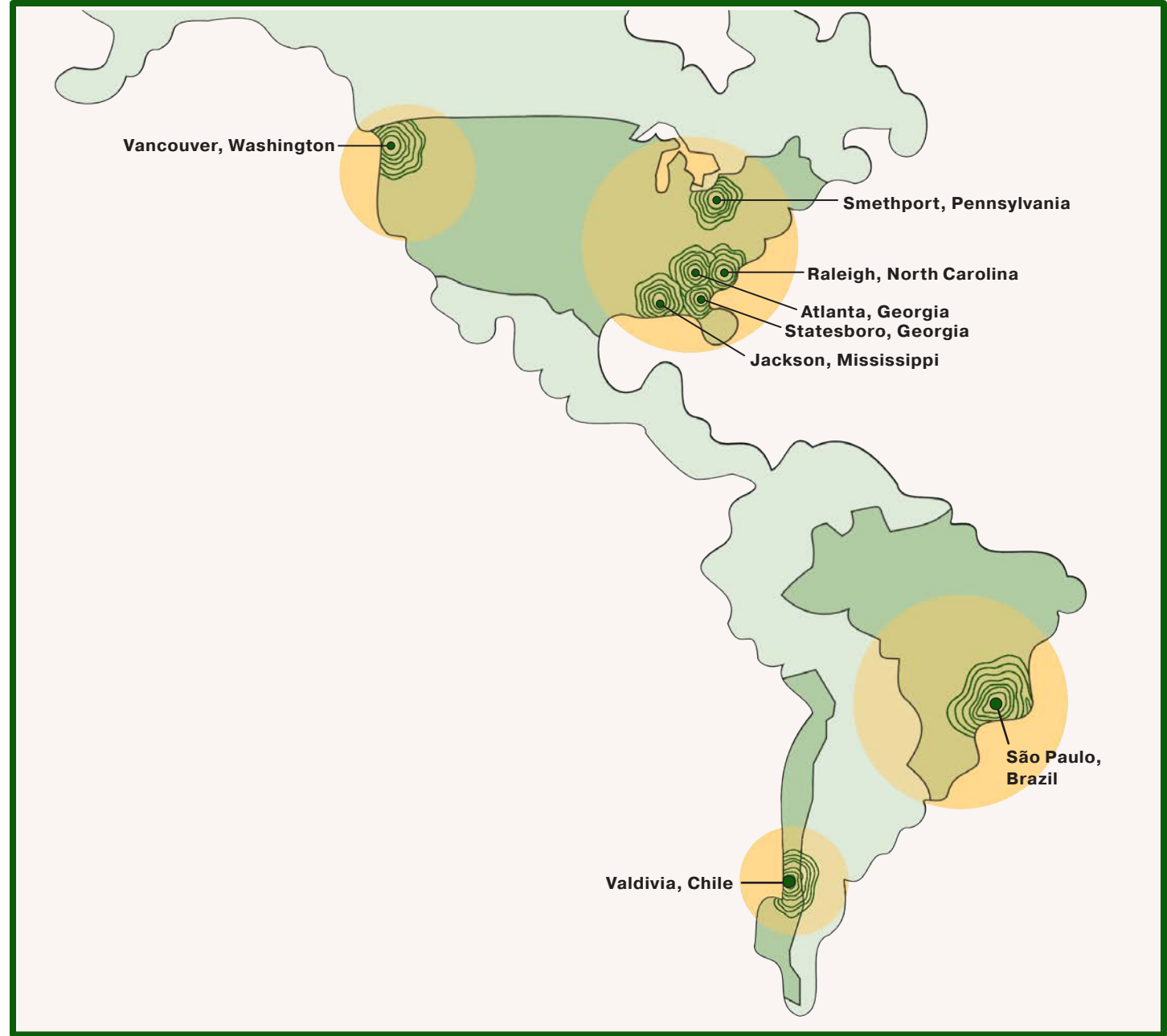
and silvicultural techniques that enhance timber productivity while conserving or enhancing soil, water, wildlife and other ecological services. In recent years, our approach to ESG practices in RI has continued to evolve. We have developed and implemented business processes and metrics that are more focused on local communities, enhancing rare and endangered ecosystems, and we consider climate-smart forestry in the development of forest management plans. As a majority employee-owned firm focused on investing institutional and family office capital in timberland, these values are embedded in our culture, and we believe that attention to these attributes ultimately contributes to long-term forest values and client returns.

FIA manages forestry investments around the globe. While the US South is still our largest region, we have significant acres in the US Northeast, US Pacific Northwest, along with Brazil and Chile as shown on the following page. Primary species managed include loblolly and slash pines, northern hardwood natural mixed species types, Douglas fir and western hemlock stands, along with radiata pine and eucalyptus plantations in South America. FIA strives to balance intensive plantation management with other forest management systems to create a mosaic of management intensities across the landscape. We continue to evaluate new investments in other major timberland markets, including Australasia and northern Europe.



Global, Sustainable Forestry Investment at Scale

Firm	<ul style="list-style-type: none">35 years of forestland investment\$4.3 billion in AUMRegistered Investment Adviser since 198670% employee ownedHeadquartered in Atlanta with seven additional offices in key timberland regions	Investments	<ul style="list-style-type: none">2.2 million acres of forestland in the United States, Brazil and Chile23 separate accounts3 commingled funds
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FIA Team and Values

FIA employs dedicated and experienced professionals with expert knowledge of timberland investment and management. FIA is proud to sustain a talented and motivated team and seeks to empower all employees to contribute to the firm's efforts in sustainable investing. Across our 54 employees, 23 hold forestry degrees, with many of these including dual credentials in forestry and finance/business, reflecting the integration of our forest stewardship responsibilities and investment management capabilities.

FIA's core values guide our business and our relationships. These values are well aligned with our aspirations in RI, and we see opportunities for ESG to inspire and support our employees as we put our values into practice in service of our clients and the assets we manage on their behalf. The FIA core values include:

- Honesty and Integrity
- Clear Communication
- Excellence
- Enjoying Our Work
- Initiative and a Strong Work Ethic
- Trust and Respect
- Teamwork



Throughout this report, we share stories about our team with a focus on intergenerational families active in the forest sector. We hope these vignettes bring to life the theme of this year's report around the contribution of the forest sector to rural economies by sharing stories from individuals and families who play important roles across the forest economy. FIA is proud that our team includes such deep roots in forestry, endowing us with broader perspectives and insights that enhance our long-term approach to timberland investment.

Lastly, an important component of the broader FIA operational structure is the roughly 30 field service provider (FSP) companies that work with us on managing timberland properties. Across more than three decades, FIA has developed strong relationships with local forestry consultants that help execute the forest management plans developed by FIA Regional Investment Foresters. Over this long history, our FSPs have supported FIA with outstanding, high-quality field work and an emphasis on operational integrity.

Adapting Through Challenges of the COVID-19 Pandemic

Beginning in early 2020, FIA, like most businesses around the world, began to respond to the challenges posed by the COVID-19 pandemic. While we initially anticipated short-term changes to our work schedules and ways of working, all FIA offices officially closed in early March and remained closed through the remainder of 2020. However, due to technology already in place, our employees quickly adapted to a work-from-home situations and we continued normal business operations, with primary exceptions around in-person work and travel. While certainly not optimal for our business, FIA remained productive and, more importantly, healthy during the pandemic. FIA strove to support individuals during this time so that personal obligations could be met and we could do our part to minimize the stressors of the pandemic. When deemed able to be conducted at minimum risk, operational staff resumed travel and on-site activities necessary for oversight of silvicultural activities and plans. Similarly, we continued to engage with clients and prospective clients through virtual environments.

As we reflect on our team's adaptability and resilience through 2020, we are grateful that we stayed healthy and able to continue our shared responsibilities safely and effectively. We are indebted to our clients and our FSPs for continuing to work with us through challenging conditions, and we look forward to brighter times and more in-person engagement again soon.

Firm Governance

Since our inception in 1986, FIA has taken pride in being an independently owned and operated forestland investment manager; this independence and the values of our business sustain a culture aligned with good corporate governance. We are proud that our strong corporate culture, business management practices and dedicated team have enabled us to remain independent and wholly focused on providing excellent investment services in sustainable forestry. FIA aspires to be inclusive in our decision-making and values transparency, equity and ethics.

A hallmark of our governance is the inclusive approach to the FIA Board of Directors. Not only are employees majority owners of the business, but employees and former employees comprise our five-member Board of Directors, including two of the five seats that rotate among employees who are elected by fellow shareholders to the Board. FIA employees participate in the highest levels of our corporate governance. FIA has developed an equity succession plan whereby retiring shareholders transact their shares to less tenured employees thus ensuring broad equity participation across the firm.

Employees are empowered with information about the business, such as strategic planning, valuation and regular business planning. This enhances the alignment of FIA with each team member, and everyone is remunerated through transparent profit sharing, competitive salaries and the opportunity to be an owner in FIA. We believe

this ownership and governance structure provides for a sustainable and stable platform over time that is befitting to the long-term nature of forest investments.

As an investor and fiduciary, FIA acknowledges the vital role that good corporate governance plays within our business and in supporting the performance of the investments we manage. Because most investments we manage are real assets, the material governance issues relate to the controls and procedures of FIA as an investment manager. In cases where the investments are shareholdings in forest businesses, such as in Brazil and Chile, our governance perspective must also be applied to these entities. FIA committees provide oversight, coordination and collaboration in areas that bolster governance, effective business controls and execution of our investment activities.

Another important feature of our governance capabilities is a commitment to our role as a Registered Investment Adviser with the Securities and Exchange Commission. All employees are trained on and agree to abide by FIA’s Code of Ethics along with committing to understand their obligations under our Compliance Program. Christina Purcell is FIA’s Chief Compliance Officer as part of her role as VP, Director of Corporate Finance, Human Resources and Compliance. Christina’s 17 years with FIA and deep experience in compliance enable her to work throughout the business to identify and manage compliance matters. She is supported by external counsel and advisers.

Governance Roles of FIA Committees	Governance Role	Meeting Frequency
Board of Directors	Oversight, planning and running the strategic direction of the business	Quarterly or as required
Executive Committee	Organizational direction and running the day-to-day business	Weekly
Investment Committee	Investment decision-making aligned to objectives and obligations of client accounts	As required based on investment activity
Risk Management Committee	Oversight and monitoring of risks across the business	Quarterly or as required
ESG Committee	Oversight and planning for ESG policies, procedures and activities	Monthly

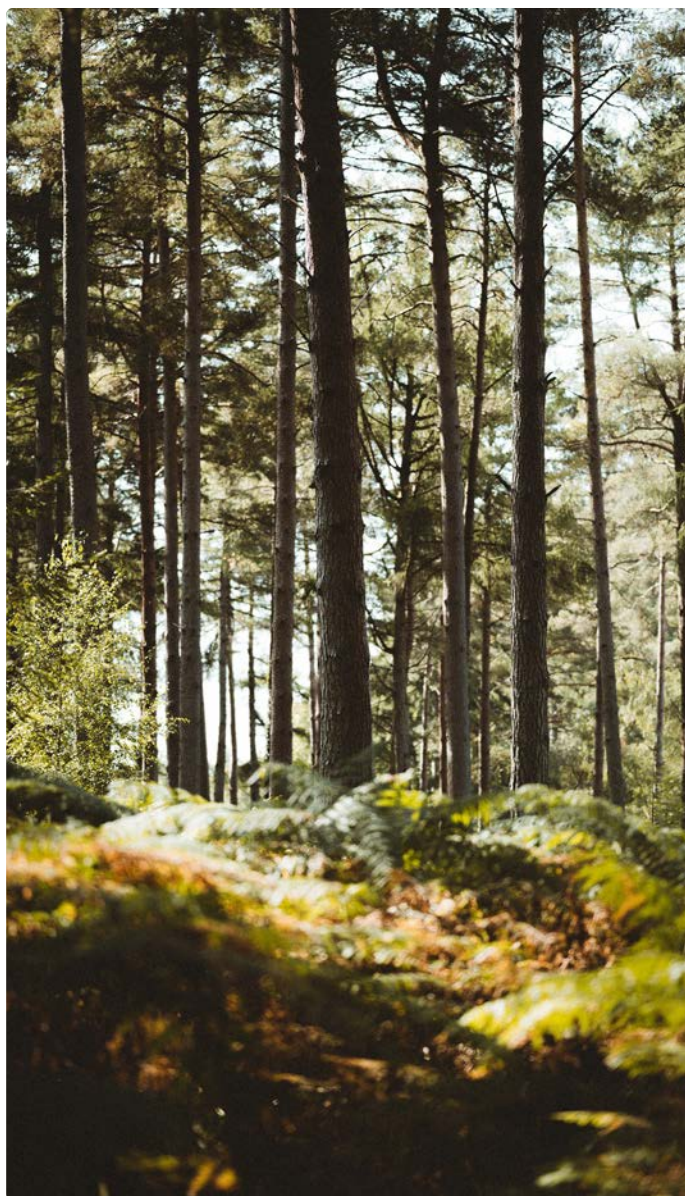
Responsible Investment at FIA

With the long-term investment management horizon implied by timberland investment, FIA has always considered the active, sustainable management of forest resources to be a core component of the services we provide as a fiduciary. Today, we recognize that forest stewardship, while critically important, is just one component of our RI commitment.

As the field of RI has emerged and matured over the past 15 years, FIA too has sought to improve upon our RI practices. Key activities in 2020 aimed to enhance transparency and communication around our RI practices, because we believe engagement with our clients and peers in sustainable investment will help us improve as responsible investors while also promoting a positive position for forestry as a sustainable asset class.

FIA's Responsible Investment Highlights from 2020

- 🌲 Became a signatory to the UN-backed Principles for Responsible Investment
- 🌲 Updated our Forest Stewardship Policy
- 🌲 Published additional sustainability and responsible investment information on our website

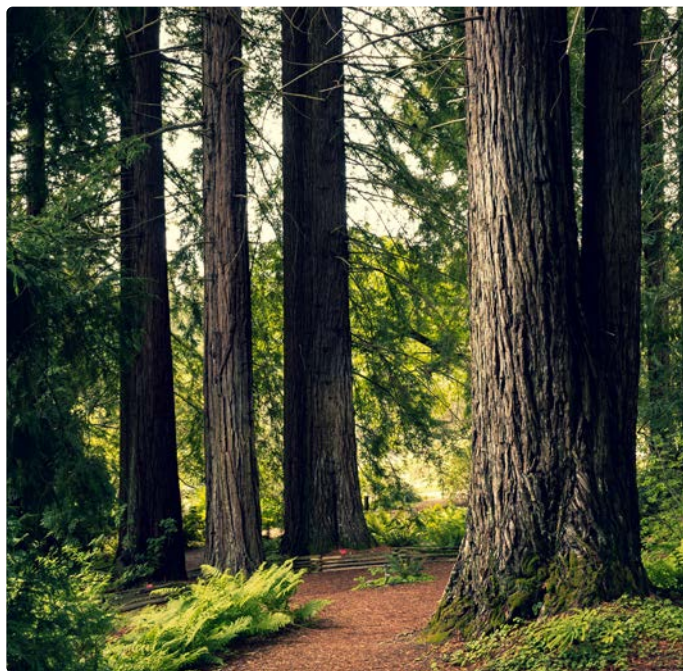


Responsible Investment Governance and Oversight

FIA recognizes that our RI beliefs should be embedded in our corporate governance for them to be effective and provide a consistent perspective through which FIA invests and manages assets. This formalization of RI governance includes our Forest Stewardship Policy, which was originally created in 2017 and was updated in 2020. We anticipate regular review and improvements of this policy in alignment with the growth and sophistication of our RI approach, together with innovations in the broader field of sustainable finance. Some of the key advancements in the 2020 update to the Forest Stewardship Policy include:

- Expanding upon FIA's beliefs regarding the interdependence of sustainable forest management and competitive, long-term financial returns as well as our view that well-managed forestland investments not only limit risk but actively create positive outcomes for the environment and society.
- Identifying FIA's alignment with the Sustainable Development Goals, including priority areas in which our investment management supports both client ESG objectives and the Global Goals.
- Clarifying our views on environmental risk and opportunities, including relating to best management practices, environmental controls and third-party forest certification.

Governance of our RI commitment rests with FIA's highest bodies of oversight: the FIA Board of Directors and the Executive Committee. To provide cross-company leadership on management of environmental and social issues in the investment process, FIA launched its Stewardship Committee in 2017. In 2020, this group was converted to the ESG Committee, reflecting a broadened remit in support of RI and with responsibility for integrating ESG policies in every aspect of our business operations. The ESG Committee benefits from representatives throughout FIA, including investment management, compliance and business development. This



interdisciplinary composition supports the committee in engaging with ESG topics and finding ways to improve our business policies, procedures and practices through adopting RI best practices.

In 2020, FIA identified the need to instill dedicated resourcing for ESG and commenced recruitment for a new senior role; as of early 2021 FIA's organizational structure now includes a function dedicated to sustainability and ESG, which is resourced at the director level. This role includes chairing the ESG Committee, providing oversight and strategic leadership on ESG throughout the business and building capacity throughout FIA to consistently identify, manage and report on ESG factors that can support investment performance.

While the Board, Executive Committee and ESG Committee are the key groups with oversight for ESG matters, accountability for continuing to review and improve our ESG practices and to implement them with rigor and care rests throughout the business. FIA views all individuals and teams in the company as playing an important part in delivering on our RI commitment.

Engagement and Promoting Responsible Investment in Forestry

FIA participates in many industry initiatives and membership-based organizations that align with our mission. These encompass a range of focuses from forestland ownership and sustainable forest management to financial services issues, including ESG and RI.

Principles for Responsible Investment

In March 2020, FIA joined the UN-backed Principles for Responsible Investment (PRI). The PRI works to understand the investment implications of ESG factors and to support its signatories in incorporating ESG into investment and ownership decisions. As of 2020, the PRI's network included more than 3,000 signatories representing more than \$100 trillion of assets under management. FIA believes that as a member and active participant of the PRI, we can better position our clients' investments to benefit from ESG integration as well as new value creation opportunities that may arise in climate finance, biodiversity-positive finance and impact investing. In addition, through enhanced information sharing and engagement with the RI industry, we hope to contribute to the rising awareness of forestry as an asset class that can support investors through delivering competitive risk-adjusted returns while significantly contributing to environmental and societal objectives.

Better Together: Working with Fellow Investors to Implement Climate Action and Manage Climate Risk

A focus area of FIA's participation in the PRI relates to our aspirations to ensure climate risk and opportunities are identified and managed appropriately. Similarly, we look to the PRI and other investment guidance as resources for FIA as we evaluate our alignment with the Recommendations of the Task-force for Climate-related Financial Disclosure. While we believe as timberland investors, we have been managing the physical and market risks related to climate, changing environmental conditions and significant weather and storm events since our inception, we recognize that new approaches and recommendations for climate-related management are emerging. As a PRI member, we look forward to improving the alignment of our investment programs and services with the Paris Agreement, because we believe forestry is an essential asset class in the low-carbon transition and in limiting global climate change to 1.5-2 degrees Celsius.

Signatory of:

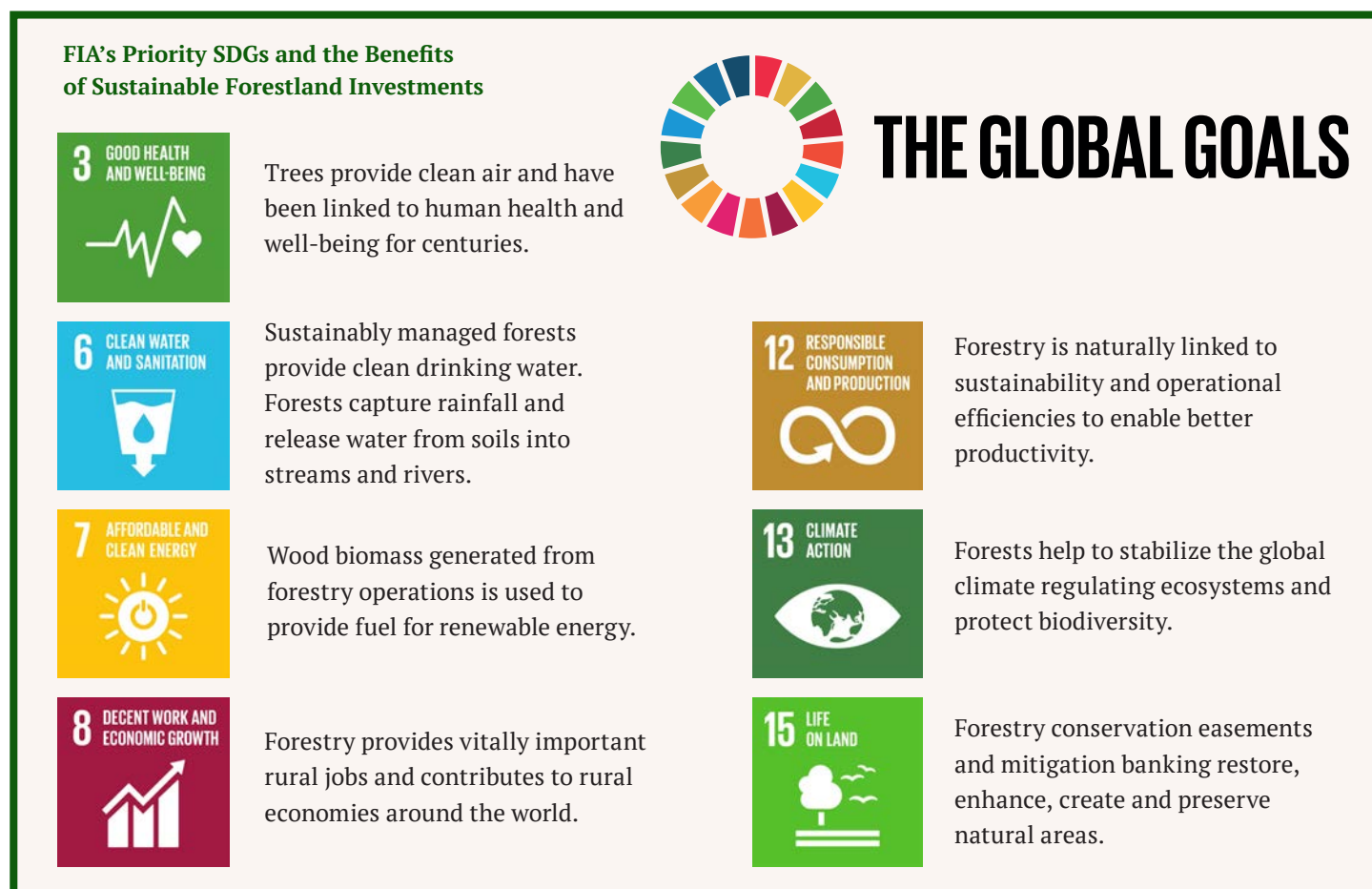


Sustainable Development Goals

The Sustainable Development Goals (SDGs) launched in 2015 and were endorsed by all member states of the United Nations to provide a roadmap for attaining peace and prosperity for people and planet by 2030. The SDGs include 17 goals and 169 targets, a comprehensive framework through which governments can measure progress toward achieving sustainable development. Despite being designed for governments, many investors have also adopted alignment with the SDGs because they can provide guidance for understanding and measuring the impact of business and investment activities in relation to the shared agenda for sustainable development.

FIA supports the SDGs as a reference framework to articulate the impacts that the timberland investments we manage can have – both good and bad – while emphasizing how RI in timberland investment promotes

beneficial outcomes that are meaningful for people and planet. We first evaluated the SDGs in 2018 and opted to include them as a formal component of our Forest Stewardship Policy in 2020. This inclusion supports FIA and our clients in identifying how we can contribute to the SDGs through the investments we make and manage. There exists inherent alignment of sustainable forestry with the SDGs, because responsible management practices include the identification of potential adverse impacts and actions to avoid and mitigate them whenever possible. Standards like the Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council® (FSC®) provide frameworks for us to pursue positive impacts in areas aligned to the SDGs. The graphic below summarizes FIA's view on the core contributions we can make via responsible timberland investments to the SDGs.



CEO Principles: Private Working Forests as a Natural Climate Solution

FIA has been a participant in the National Alliance of Forest Owners (NAFO) since its inception, because we value the collaboration and engagement on behalf of large forestland owners in the United States to advance effective policy and an enabling environment that positions FIA-managed investments to thrive. In October 2020, together with fellow NAFO signatories and the CEOs of conservation and environmental groups, FIA President Marc Walley endorsed the CEO Principles on Private Working Forests as a Natural Climate Solution. The principles represent a landmark alignment of working forest owners and conservation organizations with a shared vision for recognizing and increasing the contribution of forests and forest products to climate change mitigation. These CEO Principles are well aligned with FIA's internal policies and philosophy on the potential of working forests to promote climate action. Learn more about the principles at <https://nafoalliance.org/ceo-principles/>.



Core Tenets of the CEO Principles that Align with FIA's Investment Philosophy for Working Forests



Support for incentives and market-based mechanisms



Call for public funding to improve forest carbon science, data and emergence of new technology



Focus on innovative approaches to increase carbon benefits from forests



Recognize and reward private sector partnerships



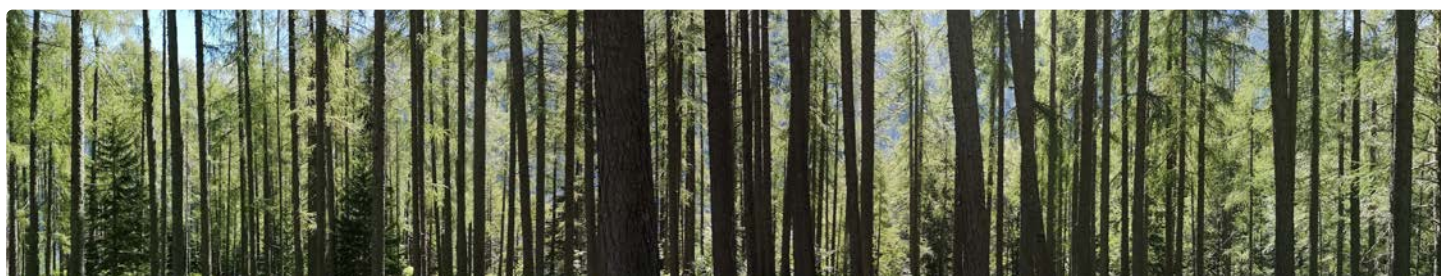
Spur jobs in strong rural forest economies



Reward the carbon benefits of forest products and encourage their increased use



Ensure sustainability through forest certification and best management practices



ESG Integration Across FIA’s Portfolio

FIA aspires to embed our RI approach throughout the way we work and operate, including all phases of the investment process and into the systems and procedures that support our asset management.

ESG in the Investment Process

Our approach to ESG integration focuses on managing material factors, with key activities staged against the phases of the investment process. The practical integration of ESG through the investment process is guided by the Forest Stewardship Policy and implemented by FIA’s team of Operations Managers and Regional Investment Foresters. The graphic below summarizes key activities that may be included in each phase of the investment process.

Integration of ESG in the FIA Investment Process

FIA’s ESG Integration Highlights from 2020

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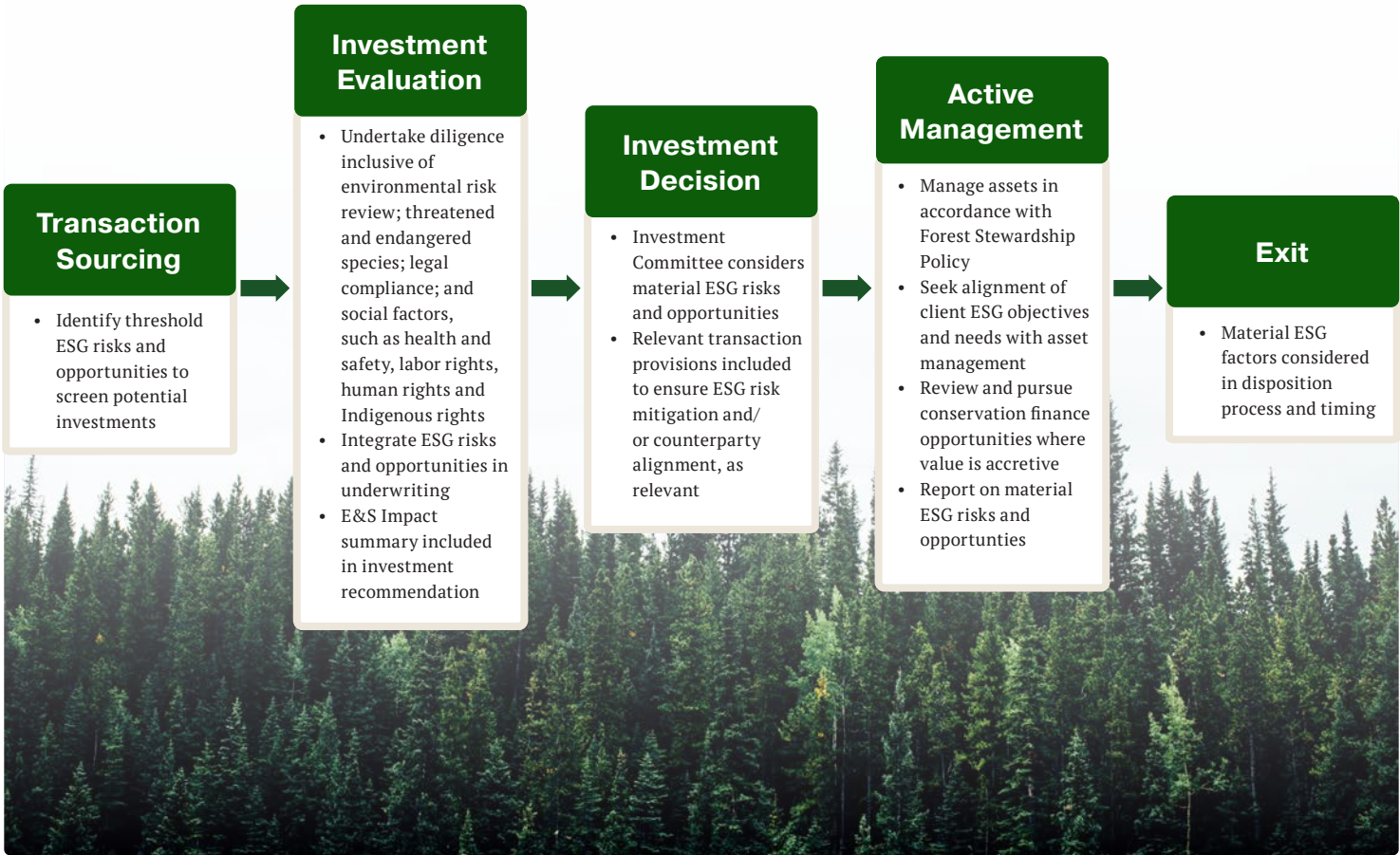
Evaluated physical climate risks across the regions where FIA manages properties

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Updated carbon impact reporting across all portfolios and assets

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Successful sustainable forest management audits for 100% of assets under management



ESG in Active Forestland Management

Forestry as an asset class presents tangible opportunities for managing ESG factors. The real-world nature of these investments implies that FIA must take an active approach to ensuring each investment property is managed responsibly; delivering on sound forest management is not only critical to investment performance but also to ESG performance. To accomplish this, FIA works with leading forest management companies across the US and in Brazil and Chile to provide the local services that help ensure that all FIA investment properties are operated according to appropriate best management practices and forest practices laws.

FIA's expertise contributes to the on-ground execution through our set of internally administered and regionally specific Forest Management Programs. FIA's team sets strategy, provides oversight and ensures capabilities are suitable at the property level. Specifically, our Operations Managers and Regional Investment Foresters ensure that FSPs execute operational plans in accordance with our programs and policies. Conformance with best management practices is continually monitored and closely evaluated as part of annual management reviews within FIA's systems.

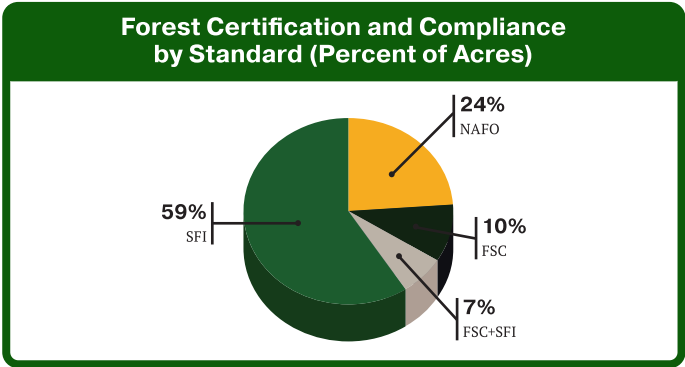
FIA Implements a Continuous Improvement Cycle Focused on Integrity in Forest Management and Investment Outcomes



FIA's approach to continual improvement promotes better ESG outcomes by upgrading environmental management practices, integrating stakeholder concerns and feedback and using internal and external auditing to enhance investment monitoring. FIA's investment management team coordinates across our network of field service providers, third-party standards and auditing bodies to ensure FIA's Forest Stewardship Policy is implemented consistently and effectively.

Forest Management Standards and Certification

Across FIA’s diversified portfolio and mix of client timberland holdings, we seek to implement environmentally and socially responsible forest management practices while working with clients to ensure the use of third-party standards and certifications meets their investment objectives. Currently, 76% of the portfolio is certified to one or both of the leading global standards, the FSC (FSC C020726) and PEFC, with the latter including forests certified to the Sustainable Forestry Initiative® (SFI®) in North America. For holdings that are not third-party certified, FIA conducts internal audits for compliance with the sustainable forest management requirements of the NAFO; these US-based properties are managed by FIA under the same regional Forest Management Programs as the SFI-certified forests.



Delivering ESG Outcomes through Active Management of Sustainable Forestry

FIA’s regionally designed and tailored Forest Management Programs provide a basis for ensuring adverse environmental and social impacts are avoided and/or mitigated while also promoting beneficial ESG outcomes. Each program covers critical aspects of sustainable forestry practices, providing a minimum standard that all field service providers must meet in their on-ground operations on FIA’s clients’ forests.

Improve forest productivity	Protect forests with exceptional conservation value	Promote responsible intensification through reforestation
Make chemical use safe and strive for minimal applications to achieve silvicultural results	Ensure and support contractor compliance with Forest Management Program	Practice integrated pest management to support forest health
Protect and manage soils	Protect waterbodies and watershed functions	Ensure compliance with all state and local Best Management Practices
Manage wildlife and support the conservation of biodiversity	Align conservation planning with state wildlife action plans	Respect for Indigenous Peoples’ rights

FIA believes that third-party certification systems demonstrate the integrity of environmental management practices across FIA-managed forestlands. We engage with our clients to promote the use of FSC and SFI certifications where these provide material benefits to the investment and support client objectives. For example, in some areas we can secure preferential market access through maintaining one or both certifications and some investments we manage have long-term delivered sales agreements that require third-party certification. In other cases, clients may opt for certification in large part for the reputational benefits and assurances that these systems provide due to their increasing market and stakeholder recognition.

Tom Trembath – Managing FIA’s forest certification process for over 20 years.



Tom joined FIA in 1993 as a Regional Investment Forester responsible for developing and executing forest management plans on client properties in the Southern US. Growing up in suburban Detroit, Tom spent his summers at cabins in the north woods of the upper peninsula of Michigan and developed a love for the outdoors. Tom’s grandfather worked in the logging camps of northern Michigan helping provide lumber to a growing economy. This influence instilled in Tom an interest in the outdoors and forestry that ultimately led to the completion of a forestry degree from Michigan State University in 1981. During his early professional years, Tom worked for the USFS on the Payette National Forest in McCall, Idaho. He also spent some time working for Clemson University at the Baruch Institute of Coastal Ecology and Forest Science outside of Georgetown South Carolina and ultimately completing a MS in Forest Science at Clemson University. His Master’s research examined the clonal and seasonal variation in a select population of loblolly pine to determine if specific levels of certain defensive plant chemicals were related to insect susceptibility. From this work Tom developed a lifelong interest in forestry research that has been a large part of his professional career.

After a few years with Stone Container Corporation assisting private landowners with the management of their timberland Tom moved to FIA as a regional investment forester. Currently Tom is the Southern Region operations manager and forest certification guru at FIA. Over the years, Tom has worked on the development of Southern best forest management practices and sat on the Executive Board of the Georgia Forestry Association for many years. His unique combination of operations experience coupled with forestry research knowledge made him quite effective in shaping FIA’s forest certification program and business processes. Now with over 20 years of forest certification knowledge and experience, he has built a strong culture of forest stewardship and certification at FIA.

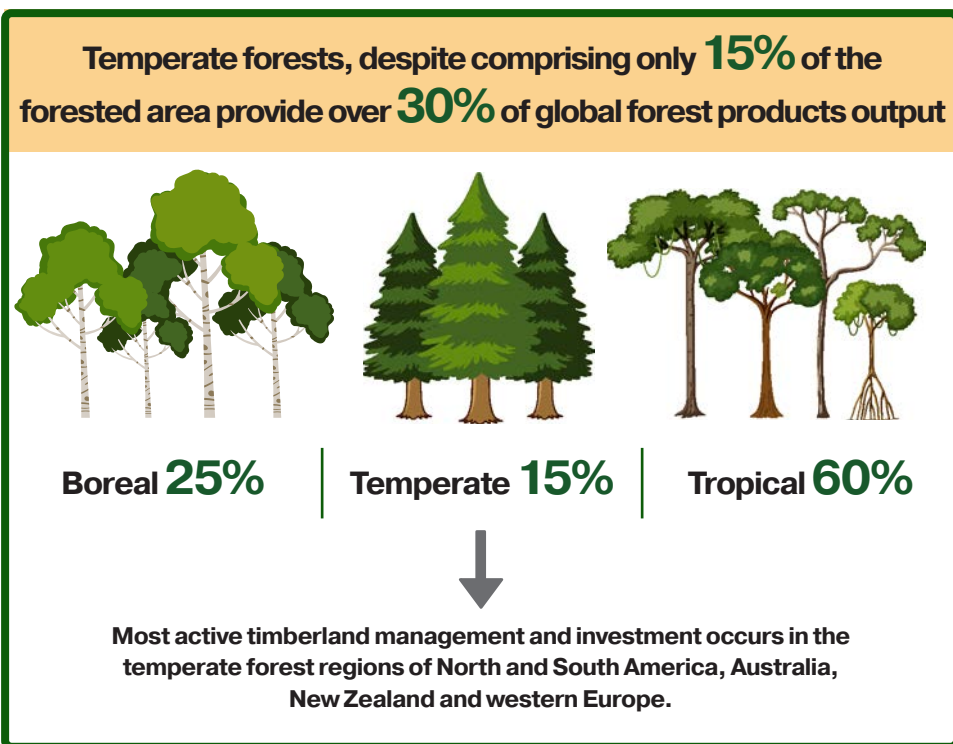
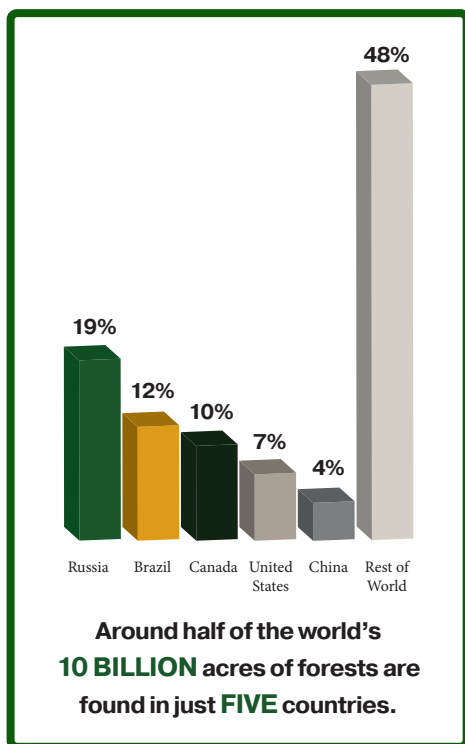
Forests and Their Contribution to the Rural Economy

Each year FIA focuses a part of our annual sustainability report on a topic we believe to be central to the theme of forests and their importance to the global society. Last year's focus was on the importance of forest productivity in meeting society's global sustainability expectations. This year, we turn outward from the forests and look at their contribution to the rural economy. Roughly half of our investment management firm employees are foresters. Many, if not most, of us have lived in a rural environment while managing the forests in our care. We have come to understand the contributions forests make to economically challenged rural areas and appreciate how forests are woven into the social fabric of these communities.

Traditionally, the value of these global forests has been viewed primarily through the perspective of timber production. More recent efforts now seek to understand

the value of the world's forests across societal benefits as well. The Boston Consulting Group recently placed the total value of forests at between \$50 to \$150 trillion US dollars when accounting for values across four classifications – climate/regulatory, commercial, environmental and social. The climate and commercial groups comprised the largest contribution to this value while environmental and social contributions were considerably smaller, with social values estimated at only 2-7% and commercial value itself only being 5-20%. The social values considered included forest sector jobs and income for more than 12 million people worldwide as well as subsistence livelihoods and recreational benefits for many more. The broader intangible social values of forests were not quantified; however, this analysis reflects the growing awareness of the substantial value of forests beyond traditional financial parameters.

Around half of the world's 10 billion acres of forests are found in just five countries.



Regional Economic Impacts in the United States

Throughout the US, private ownership and management of forests are closely linked to the benefits that flow from those forests to society. A recent National Alliance of Forest Owners (NAFO) study quantified the impacts of forests on the US economy along with recognizing many of the other nonmarket goods and services provided by forests. NAFO reports that the forest-based economy adds about \$365 billion to North American gross domestic product (GDP). In the US, private timberland accounts for over 5% of manufacturing GDP and is one of the few globally competitive manufacturing sectors still active in North America.

Similarly, public and private employment in forestry-related businesses provide over 3 million jobs, and these direct forestry jobs support more than 1.8 million additional jobs through indirect and induced employment impacts. Most of these jobs and manufacturing activity occur in rural areas close to working forests. Direct payroll impacts are more than \$55 billion with another \$75 billion in indirect payroll contributions to the US economy. Moreover, private timberland, while representing about 75% of the timberland acreage accounts for more than 85% of the employment and payroll contribution (\$47 billion). Similarly, \$8.8 billion of the roughly \$10 billion of direct timber sales were sourced from private timberlands. Hence, while about 75% of timberland in the US is in private ownership, these private owners provide almost 90% of the timber sale revenues. Private, actively managed forests are, to a large degree, the engine that powers our traditional forest products industry as well as the downstream activities associated with home building, furniture manufacturing, paper and packaging and a host of other industries around the globe.

The role of forests in society described above is perhaps most acute in the US South, reinforced by the region having both the greatest area of forest cover in the US as well as the greatest percentage of those forests privately held. The focus on production and active management in the region further strengthens the economic benefits generated by

the forest sector. Due to its size and timberland ownership structure, the forestry sector in the South supports direct employment of almost 500,000 jobs. The Midwest and Pacific Northwest each support a little less than half of the South's number at 215,000 and 188,000 jobs respectively. The Appalachian states support 156,000 direct jobs and the Northeast employs about 66,000. Again, when the public-private split is included, the importance of the US South becomes even more apparent with 18 out of 20 forestry jobs being associated with the private sector in that region. Total direct, indirect and induced employment (DII) and contribution to economic activity follow similar trends. The US South due to its timberland base, private timberland ownership trends and forest products manufacturing base, contributes roughly half of the forestry DII reported in the study. The Midwest and the Pacific Northwest contribute about 21% and 15%, respectively. The Appalachian states contribute 14% and the Northeast about 5% to direct, indirect and induced employment.

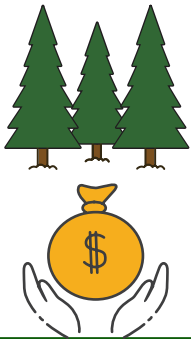
Hence, the trends are clear that from an acres, employment and economic activity perspective, the US South is the primary contributor to the US timberland and forest products economy. While each region is clearly important to their rural economies and rural employment, those with higher percentages of private land support more economic activity and employment. Also, species differences, growth rates and raw forest products values impact these trends at local and regional levels. These differences provide economic diversification across regions and ownership classes, which further enhances economic resiliency of the timberland and forest products sectors.

Regional Economic Impacts in Other Parts of the World

The socio-economic contributions of forests are also observed in other parts of the world where FIA operates. For instance, the Chilean timberland and forest products industry contributes over 3% of total GDP, and forest products

Privately managed forests are the engine that powers our traditional forest products industry, providing direct and indirect employment and supporting GDP.

\$365 billion contribution of the forest-based economy to North American GDP



Private timberland contributes **5%** of the North American manufacturing GDP



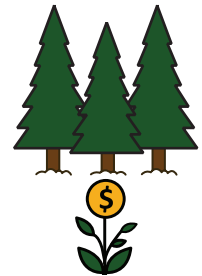
3 million direct forestry jobs with **\$55 billion** of payroll contributions



1.8 million jobs from indirect and induced employment impacts with **\$75 billion** payroll contributions

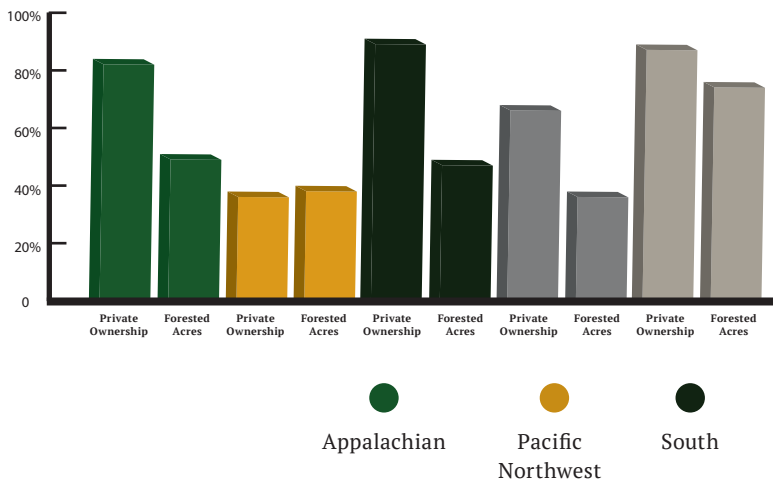


Private timberland accounts for **75%** of forest acreage while providing more than **85%** of payroll contribution

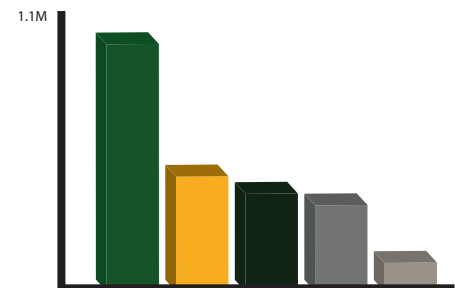


The US South exemplifies the power of private timberlands as a driver of rural economies.

Percent of Private Ownership and Acres Forested by US Region



Direct Jobs



90% of forestry jobs in the US South are driven by the private sector and private timberland, roughly **450,000** jobs, largely in rural areas.

The South also leads when considering combined direct, indirect and induced economic activity, with **45%** of the US total occurring in the South alone.

exports make up over 12% of all export activity. Primary products include roundwood, lumber, fiberboard, wood chips, pulp and newsprint. Forest plantations make up about 14% of the forested acres with over 5 million acres of eucalyptus and radiata pine plantations. Productivity is high in areas where moisture is not severely limiting to tree growth. There exists a thriving and growing forest products industry servicing both internal and export demand. Chile has become a reliable and significant trading partner around the Pacific Rim with respect to raw and finished forest products. Most of these exports end up in the United States, China and other Asian countries. Some pulp and paper output also services European markets.

FIA has significant operations in Brazil – one of the most productive timberland bases in the world. With roughly a billion acres of forestland, Brazil has one of the world's largest natural forest resources. Of this area, about 85% is available for industrial wood production and much of that in the Amazon rainforest region where roundwood exports have been banned since 1980. However, Brazil is still the largest consumer of tropical roundwood worldwide. The expansion of intensively and responsibly managed plantations is a critical opportunity for sustainable forestry in Brazil because it not only creates new jobs in the forest sector but helps alleviate pressure on natural forests, where governance and social risks can be significant. Today, plantation forests make up around 2% of the commercially available forested area resulting in approximately 22 million acres of plantations. Eucalyptus species make up about 60% of plantation area with pine species covering 35% of the area. Brazil has some of the most productive plantation forests in the world at times growing as much as 60 cubic meters per hectare per year for

some eucalyptus varieties. Productivity has roughly doubled in plantations since the 1970s and 1980s when substantial effort was focused on improving plantation growth rates and increasing plantation area in Brazil. Today, Brazil has a state-of-the-art timberland and forest products industry. New pulp and paper mills have made Brazil a low-cost producer of pulp, paper and other forest products in the world market. The timberland and forest products sectors contribute around 1% to Brazil's GDP and make up about 2.5% of the total world forest products trade.

In areas all over the globe where FIA manages forests on behalf of its clients, these forests contribute heavily to local economies. These forest investments provide jobs for foresters and others supporting the forest products industry. The UN Forum on Forests reports more than 1.6 billion people depend on forests for subsistence, livelihoods, employment and/or income. The benefits of forests in the formal economy are only a subset of the total benefits. For example, around 13 million people are employed in the formal forestry sector, with as many as 50 million in the informal sector. Importantly, small and medium enterprises are key employers in the forest sector in many emerging economies, including as much as 80-90% of the workforce. In the developing world, cash exchanges for forest goods are estimated at \$250 billion, with non-cash benefits believed to be as much as two or three times as much. Institutional investors in the forest sector can support the quality of jobs in the sector by promoting strong labor standards, ensuring a living wage and promoting long-term forest management that ensures forests can play a longstanding role in rural economies.

Jeff Hall – Managing forests for their full potential



Jeff is FIA's Southern Gulf Region Forestry Operations Manager. As such, he is responsible for the forestry operations on 37 management units totaling over 860,000 acres. Before joining FIA in 1999, he was a Vice President and Trust Forester with Deposit Guaranty National Bank/AmSouth Bank in Jackson MS. With a background in forest operations and silviculture, Jeff focuses his efforts on deriving maximum site potential through intensive silviculture programs implemented by FIA in the Gulf Region. "It has always been my passion from an early age to cultivate and care for the land. It truly is a privilege to be able to have a hand in caring for and managing such a large land base."

Jeff's son, Bryan, is a graduate forester from Mississippi State University and now has a Masters in Forest Business from the University of Georgia's Warnell School of Forestry and Natural Resources. Bryan now works for Rayonier, a global forest company, in central Georgia. We look forward to having Bryan as a member of the forestry community. "It is so satisfying to have instilled in my son that passion and responsibility for caring for the land. With those drivers, his path in forestry has solid roots!"

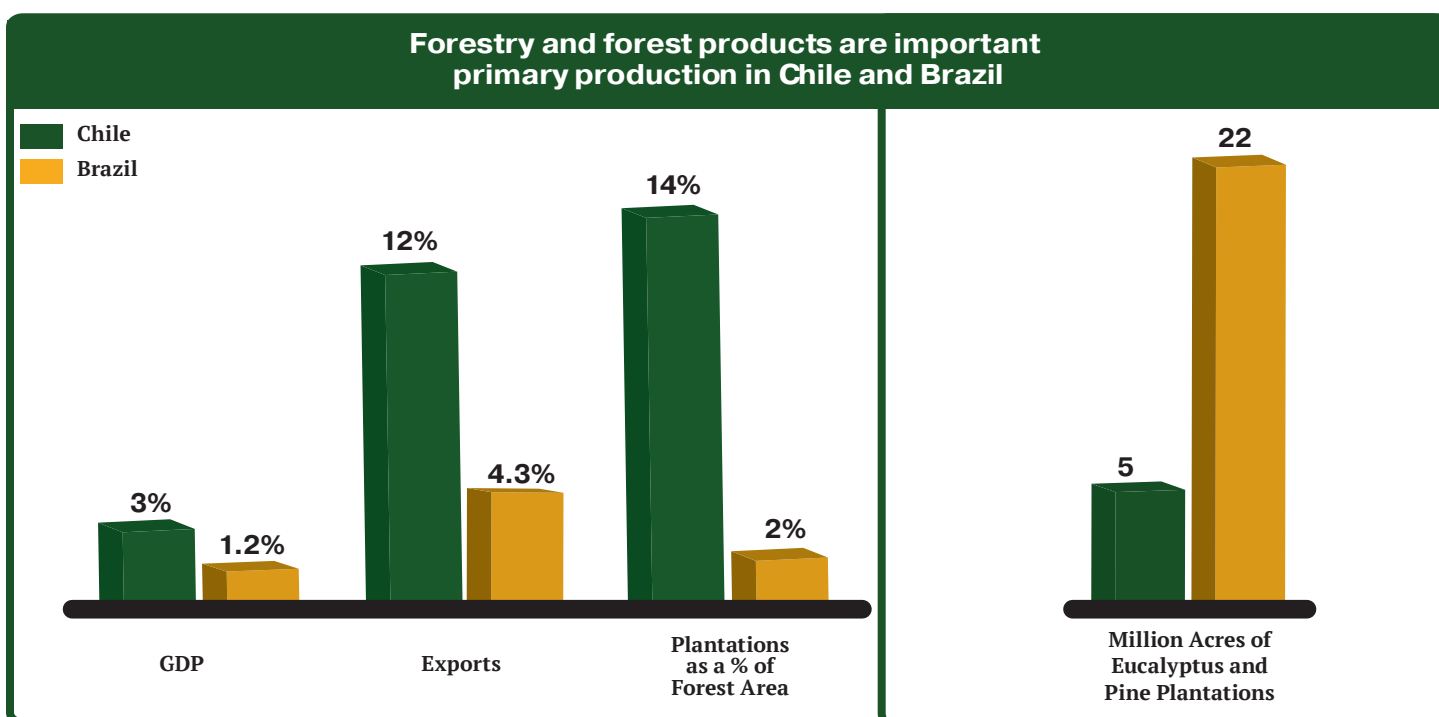
Forests and Their Non-market Contributions to Rural Communities

Beyond the contributions forests make to the economy, they are a primary part of rural cultures and the social fabric around the globe. Forests provide shelter and sustenance for Indigenous Peoples, fuel for cooking fires, recreational opportunities, clean air and water, soil formation and carbon storage, among a host of other benefits. While these benefits are more difficult to value from a market-based economic perspective, they provide vitally important goods and services to society. More than half of the total value of forests identified in the Boston Consulting Group study referenced above relate to these non-market goods and services. As markets continue to develop for these important forest goods and services, they will be valued by the marketplace – not just economic theory.

Excellent examples of such developing markets are water rights and carbon. In some areas, such as Australia and the American West, water rights are an integral part of the bundle of goods and services associated with land. Water rights can be bought and sold, bundled or unbundled with purchases of other goods and services associated with land tenure. However, in other areas, water rights and the associated markets are still in their infancy. Another

great example is carbon and the regulatory and voluntary markets developing around both avoided emissions and carbon removals. Again, some areas of the world have well-developed markets for trading carbon while others are still working to establish such markets. It is the expectation that these markets will continue to add substantial financial value to forests and contribute to the returns and economic utility of their owners. Analysis by Vivid Economics places the future value of nature-based climate solutions from forestry at as much as \$800 billion per annum by 2050, equivalent to a net present value of around \$1.2 trillion today.

The recreational opportunities provided by forests have been recognized by the global society for many years. However, just in the last 50 years substantial markets for monetizing these recreational benefits have evolved. Recreational leases on private forestland have become significant contributors to income in many parts of the world. This is particularly true in the United States where such leases are commonplace. Even in areas where “open forests” are encouraged on private lands, such agreements generally lead to lower property taxes for the owners. Similar contributions to rural economies exist from public lands as well. Significant economic activity is now



associated with public lands and the recreational opportunities they provide. The US Forest Service (USFS) valued recreational opportunities across the national forests at \$14 billion in 2018, a figure expected to be vastly larger in 2020 due to the pandemic – a time when many people turned to nature for their wellbeing, fitness and recreation. The value of activities reported by the USFS ranges from \$44 for a day of backpacking to \$119 for non-motorized boating. We would expect to see these inherent recreation values replicated elsewhere globally; a substantial portion of the population around the world use forests as places of travel and recreation, supporting the rural communities that are intermixed in such forests. Whether we think about hunting, fishing, hiking, camping or other activities like snow skiing or wildlife viewing, the rural economy benefits from these activities supported by healthy forests.

Rural private lands, including forests, contribute to the tax base and ultimately services provided to rural societies. Generally, annual property taxes are allocated to local and regional governments that provide public primary education, infrastructure and basic services like water, sewer and emergency services in rural communities. Recent research has quantified the services consumed by rural inhabitants versus the amount of property taxes paid and found that forest owners contribute far more in taxes than they receive in consumed services, thus making forest owners a net contributor to rural governments and educational systems. Generally speaking, timberlands owned by investors exemplify this as local taxes are paid without a commensurate use of social services. This is further compounded by the direct and indirect employment, which contributes payroll taxes and local spending on goods and services.



Most important from FIA's perspective is that actively managed private forests contribute to the social fabric of these rural communities. From the creeks we played in as kids, to the rivers and lakes we swam in as teenagers, to the hikes that we went on with mom or dad (and yes, all foresters teach their kids how to identify tree species), forests have provided and continue to provide experiences and memories of immeasurable economic value – they are an integral part of the lives of those in these rural communities.

Sarah Hall – Adding value for clients through Higher and Better Use opportunities



Sarah is the Manager of Dispositions at FIA. Her responsibilities include both large-scale and retail dispositions across the US. With over 15 years of experience in timberland, real estate and alternative land use projects, she focuses her efforts in uncovering alternative land uses in client timberland portfolios.

Sarah's father, Lanier Edwards graduated from the University of Georgia's Warnell School of Forestry and Natural Resources in 1974. He is a forester and businessman that has managed forestry consulting and forest product transportation firms. For nearly 40 years, he has been active in timberland transactions throughout the Southeast. Sarah's interest in forestry and real estate also began at a young age. "Some of my fondest childhood memories are hunting, fishing and outdoors adventures with my family. One of the first timberland tracts my father purchased is a property with cherished memories that I now get to share with my three children. This land became part of who I am and now part of who my children are as well."

From portfolio-level, multi-state dispositions to single tract land sales, Sarah greatly enjoys adding value to FIA's clients' portfolios with each unique transaction. She has cultivated relationships throughout the forestry industry and at a regional level with local buyers. Several of the companies and families have become repetitive buyers and friends over the years.

Priority ESG Issues for FIA

In this section FIA shares three material ESG priorities that we pursue with a view toward supporting investment performance while addressing environmental and societal challenges. These priorities include our longstanding focus on leveraging research and development (R&D) to promote better forest practices and enhance environmental outcomes. The second is our collaboration and internal efforts around increasing the role of managed forests as a climate solution. The third priority is demonstrating social responsibility, which is interwoven throughout the FIA investment approach and our relationships in the forest sector.

Promoting R&D for Improved Forest Productivity and Environmental Outcomes

Forest productivity in FIA managed forests is a primary focus, because we know that utilizing intensive forest management practices in appropriate areas across the landscape is one of the greatest contributions we can make both to financial returns and to broader environmental and social objectives. For example, allocating intensive production systems to appropriate sites allows for conservation of rare and sensitive ecosystems. Hence, FIA foresters emphasize a landscape approach to the development of forest plans.

Secondly, by continuing to increase forest productivity we can produce more fiber more efficiently. Most plantation forest productivity gains have come through long-term forestry research jointly supported by cooperative programs between land grant universities and the timberland industry. As we detailed in our 2019 sustainability report, plantation growth rates have increased about 2% annually for the last 60 years in the US South due to successful silvicultural and genetics research. These increases in productivity are an important component to enhancing investor returns. Biological growth accounts for approximately two-thirds of the return generated from timberland investments; growth rates and plantation productivity are both significant drivers of investment performance. Other regions of the world have experienced similar increases in their plantation forests. Given the increases in agriculture productivity through better genetics and precision agriculture, future expectations in plantation forests are to again double productivity over the next 50 years.

Mike Clutter – Participating in forestry research and operations at FIA



Mike brings nearly 40 years of forestry research experience to his role as VP, Director of Portfolio Analytics, Research and Technology, but his forestry roots run even deeper. Mike's father, Jerry Clutter, was the Union Camp Professor of Forest Biometrics at the University of Georgia's Warnell School of Forestry and Natural Resources until his death in 1983. Jerry spent his career teaching, performing growth and yield research and founding the

Plantation Management Research Cooperative – one of the earliest industry and academic forestry research cooperatives. Jerry's legacy continues today, with his foundational forest biometrics publications and research having been a keystone of the education of generations of forest biometricians.

Mike has spent about equal parts of his career working in academia at the University of Georgia and in private industry with Union Camp, Georgia-Pacific and now with Forest Investment Associates. While at UGA he was the Hargreaves Professor of Forest Finance and the Dean of the Warnell School of Forestry and Natural Resources. Also trained as a forest biometrician, Mike has concentrated his research efforts on the financial attributes and performance of timberland as an investment. Mike's interest in forestry started as a young boy spending time in the woods with his father. "I was extraordinarily lucky to be raised around forestry and the forest products industry. I have great memories of watching logging operations and silviculture as a youngster – big trucks and skidders are pretty cool at that age."

Mike leads portfolio analytics and value-adding strategies across FIA's global portfolio, where his research interests help to further investment value and strategy across FIA's separately managed accounts and funds. The Clutter forestry tradition is still ongoing; Mike's son Matt Clutter just started his career with F&W Forestry Services as an economic analyst continuing the multigenerational forestry trend. The Clutters are proud to be another multi-generational family in the forest industry.

FIA participates in numerous cooperative forestry research programs in North and South America. Participating universities include the University of Georgia, North Carolina State University, Virginia Tech University, the University of Washington and the University of Concepción. Additionally, we participate in approximately 40 research studies by providing forested sites as study areas. These include projects with the United States Forest Service, various state forestry agencies and approximately 12 NGOs. Many of these studies evaluate how forest management practices impact wildlife habitat, clean and plentiful water and biodiversity across the landscape. Outcomes from these research studies provide FIA foresters with the latest scientific data and results to apply on client timberlands. This knowledge helps better focus our productivity and sustainability efforts.

At times, FIA funds individual research and technology projects or conducts research inhouse to address specific needs. Areas of emphasis include advancements in our forest management information systems, growth and yield modeling capabilities and forest simulation models. These projects help FIA foresters better track and manage client properties. In all cases, FIA looks for links between these projects and the sustainability goals of our client timberlands. Recently, much of our internal research has focused on better understanding and quantification of carbon on FIA managed forests and how carbon stocks will change based upon our management plans. We continue to enhance our inventory and planning systems to better support our view of carbon as markets continue to develop.

An area of increased emphasis during 2020 was to better understand and track rare and endangered species and ecosystems. Whether it involves species such as the Louisiana pine snake, the marbled murrelet or possibly the reintroduction of the grey wolf to the southeastern US, we seek to manage for positive biodiversity outcomes, especially for rare and endangered species. We believe that socially responsible forest management should appropriately consider such issues as part of the overall forest management plan for a management unit. FIA has been a supporter of the Wildlife Conservation Initiative, a joint research and outreach program between NAFO members and the US Fish and Wildlife Service. This initiative is currently focused on several species that have been proposed for listing as threatened and endangered. The basis of the initiative is to develop better science and understanding of such species so conservation plans are more science based and effective.

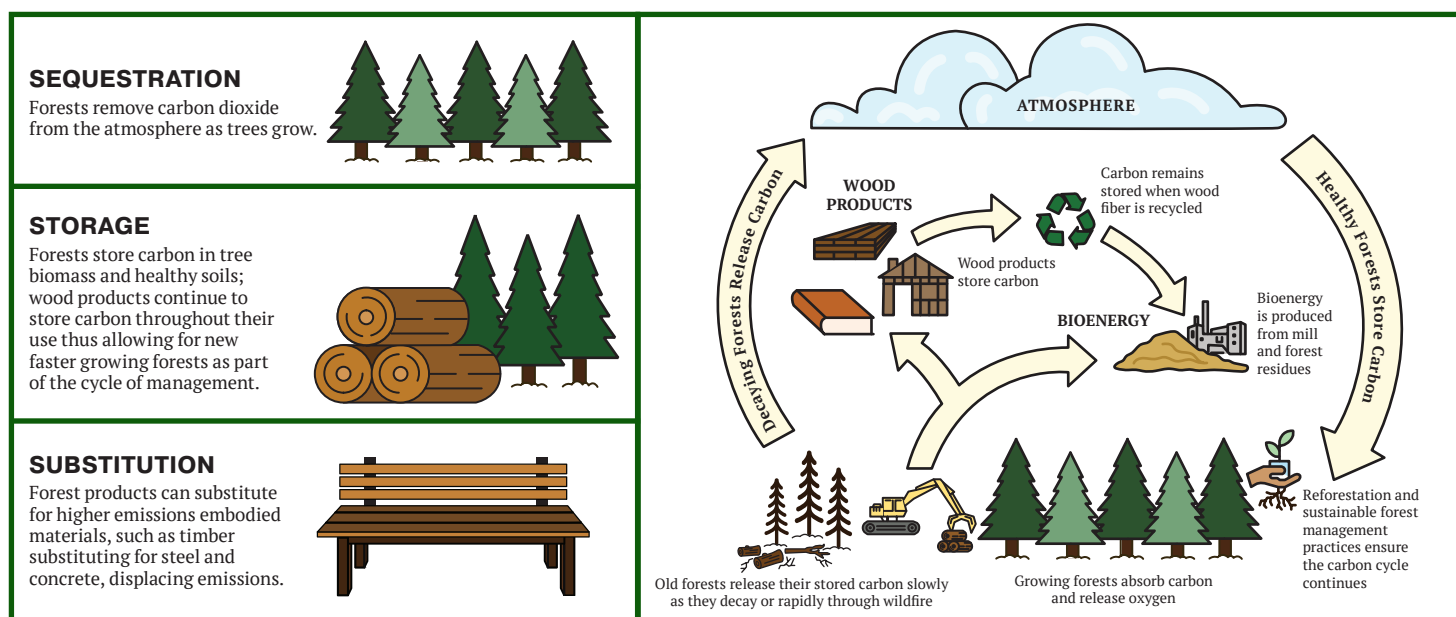


Increasing the Role of Managed Forests as a Climate Solution

The forest carbon cycle is a natural process through which carbon cycles from the atmosphere into forests and oxygen is released into the atmosphere. Managed or working forests enhance this cycle through the ability to create wood products that continue to store carbon while forests are re-planted in a renewable cycle that accumulates carbon in forests and wood products. This forest carbon cycle is increasingly relied upon as the primary driver of natural climate solutions, or activities that contribute to lowering atmospheric levels of carbon and instead sequester and store carbon through natural processes.

Natural climate solutions may generate more than one-third of near-term, cost-effective climate mitigation through 2030, providing a critical pathway to support changes to a low-carbon economy underway in energy, transport and other sectors. The role of these solutions cannot be understated: even if the world stopped emitting all greenhouse gases today, we could not meet global climate targets such as the Paris Agreement without actively removing greenhouse gases from the atmosphere. Fortunately, nature – through trees in particular – provides a proven method for such atmospheric carbon removals. Responsibly managed forests contribute to climate mitigation and resilience through sequestration, storage and substitution.

Forests Contribute to Climate Mitigation through Carbon Sequestration and Storage and the Substitution Effect

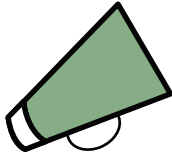


Graphic adapted from Washington Forest Products Association.

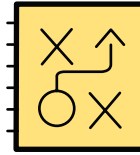
FIA is excited about opportunities in climate finance for timberland investors. Investment approaches to natural climate solutions may involve monetizing carbon in forests, but participating in carbon markets is not required for investors to support and benefit from climate finance concepts and principles. In fact, there is strong alignment between core forestland investment management objectives and the ability to pursue and generate climate benefits. Increasing carbon sequestration, carbon storage and the use of harvested wood products, a renewable resource, are all aligned with the fundamental biological productivity, biological asset valuation and cash flows associated with forestland assets. In cases where forest carbon can also generate financial value – such as by a carbon market or an investor's internal carbon price – these benefits may be optimized across timber and carbon by adjusting silvicultural regimes to balance multiple objectives.

FIA's Climate Action Approach – Advocate, Manage and Report

FIA's Climate Action - Our climate approach features three complementary commitments that are inherently founded in our values of client service, sustainability and excellence. We seek to continually improve in our climate action and maintain active efforts in each of these efforts.



Advocate - We advocate for enabling policies and environments that enhance the contribution of forests and forest products to mitigating climate change.



Manage - We manage climate-related risks and opportunities within our fiduciary duty and seek to position our clients and their forestland for long-term value.



Report - We report on the contribution of the forestland investments we manage to mitigating climate change and promoting forest resilience.

Advocate

Importantly, the role of working forests in meeting climate goals is increasingly well understood by more diverse stakeholders. As highlighted by FIA's support for the CEO Principles, we believe there are attractive opportunities for timberland investors to contribute to climate mitigation through activities that increase the carbon storage potential of managed forests and that generate renewable wood products that store carbon in wood and wood-based products while substituting for concrete and steel in the built environment.

FIA and our clients are positioned to benefit from increasing demand for natural climate solutions, because this demand supports an economic incentive and carbon price for the climate mitigation and regulation functions provided by forests. FIA has participated in some initial carbon market opportunities and continues to evaluate the fit of current market opportunities with the long-term management objectives of each of our investments. However, frameworks for accounting for the climate impact of forestry and the rules for participating in the growing carbon markets are continuing to emerge and evolve. We therefore feel it is important we advocate, together with fellow investors and the forest sector, to encourage policy and market conditions that are conducive to forest-climate solutions, both in forests and in the expanding use of sustainably sourced wood products.

Manage

As a fiduciary, FIA seeks to manage both climate-related risks and opportunities to produce enhanced outcomes for our investors as well as for other stakeholders and the environment. Our climate risk management primarily centers around understanding and mitigating for physical risks of changing climate, such as increasing risk of severe storms and weather, changing precipitation, temperature changes and the pest and disease threats that can be exacerbated by these changes. We use the best available science and results from collaborative research to inform us in climate risk assessment and management. Fortunately, many physical risks can be mitigated through operational, silvicultural, planning and/or financial insurance mechanisms. For example, we have deployed risk mitigation strategies on all properties within 100 miles of Southern coasts to address risks from hurricane and storm damage. FIA believes that strong property protection measures that support risk mitigation and better position investments for resilience to a combination of physical and climate transition risks. FIA has identified the Task-force for Climate-related Financial Disclosures (TCFD) and its recommendations as primary guidance supporting investors in understanding the exposure of their investments to climate-related risks and opportunities. We believe considering the TCFD recommendations can support us as we continue to improve our approach to managing climate-related factors, including in scenario analysis and the identification of appropriate metrics and targets over time.

Report

Reporting on the climate impact of forestry investments is of increasing importance, and FIA works to provide our clients with easy-to-understand data about the climate mitigation and carbon storage function of their investments. We currently report publicly on the above-ground carbon storage of the productive area of all forests under our management; more detailed client reporting is available. The public reporting focuses on the total carbon storage of the forests and the change over the

reporting year. The latter reflects a conservative view of the overall climate impact of the managed portfolio and is evaluated based on adding annual growth, subtracting timber harvest and removing any changes to underlying management units. This therefore provides the total change in carbon stored on the land bases as present at the end of 2019 and 2020. For 2020, FIA-managed forests sequestered a net of 158,000 tCO₂e with total carbon equivalent storage of 160.3 million tonnes.

Total standing (above ground) tonnes of CO₂ equivalents

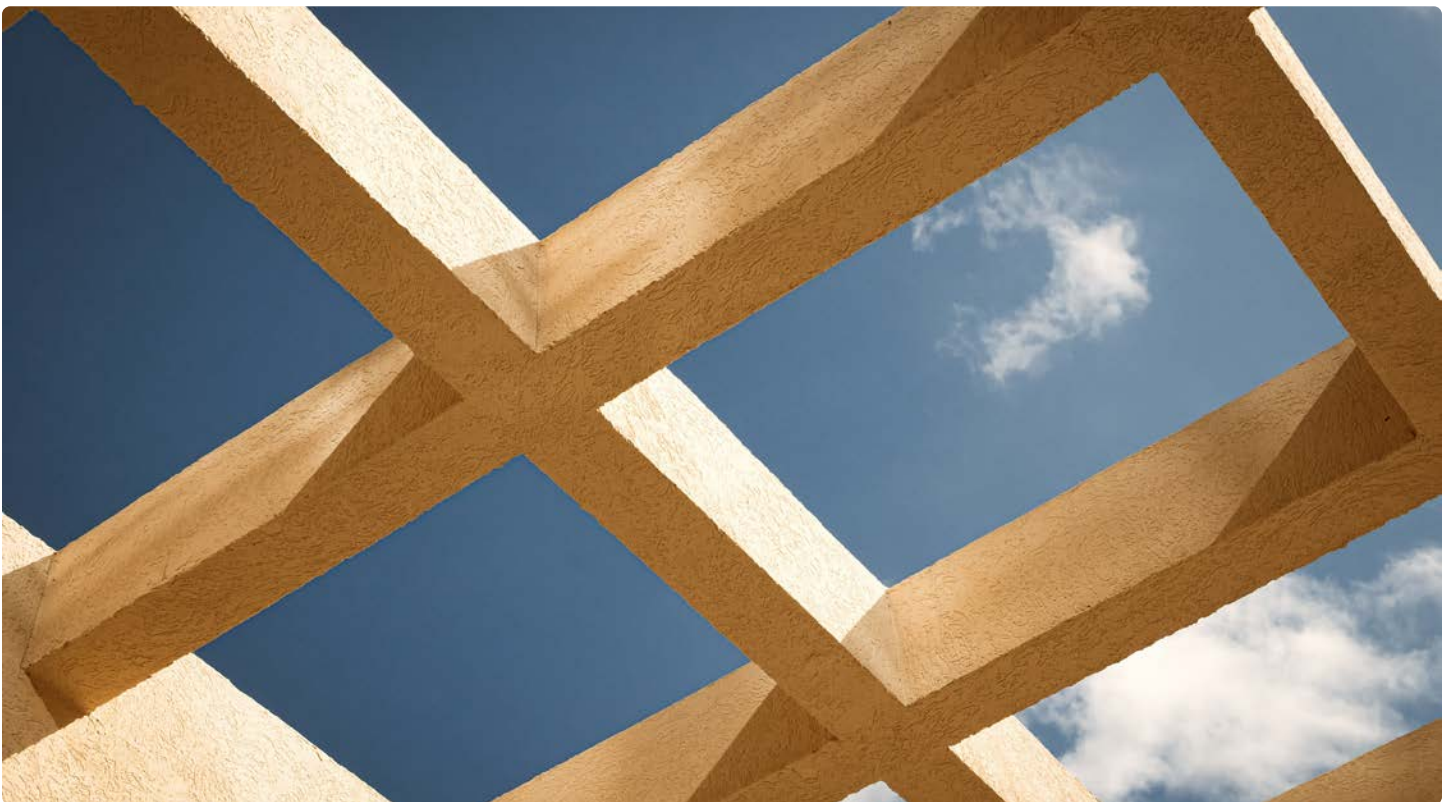
	2019		2020	
	Acres	tCO ₂ e	Acres	tCO ₂ e
U.S. South	1,464,145	129,291,155	1,450,892	125,341,559
U.S. Northeast	174,077	14,205,941	171,858	14,138,665
U.S. PNW	210,461	12,297,481	179,425	11,110,830
Brazil	94,006	6,443,500	118,490	8,135,964
Chile	39,949	1,899,957	41,192	1,601,387
FIA TOTAL	1,982,638	164,138,034	1,961,857	160,328,405

These numbers do not account for the ongoing carbon storage associated with the downstream use of the wood products harvested from the portfolio.

As shown in the table above, FIA client properties had a net decrease of 1.06 tonnes of CO₂e per acre during 2020. We sold timberland containing approximately 5.9 million tonnes of CO₂e, and after sequestration, harvest and changes to productive forest area, FIA managed properties had in excess of 160 million tonnes of CO₂e stored in above ground components of trees at the end of 2020. This reduction in standing CO₂e was primarily driven by land sales and to a lesser extent the harvest of trees that were converted into forest products that continue to store carbon in the built environment. Carbon stocks on client properties will continue to fluctuate as acquisitions, divestitures, sequestration and harvest impact these estimates.



Private working forests contribute substantially to carbon stocks around the world. For example, almost 60% of forests in the US are privately owned and over 70% of working forests are found on private land. These same forests provide about 75% of our wood and fiber and account for over 75% of annual carbon sequestration in the US. Over half of all carbon storage in the US is found in private working forests. It is important to also note that when downstream forest products are manufactured from harvests from these working forests those final forest products continue to store carbon in the form of lumber, wood panels and paper. The substitution impacts from using wood versus steel or concrete in the built environment also impacts long-term carbon storage and global carbon budgets in a positive way. Actively managed working forests are a primary way to meet climate change targets. FIA is committed to managing the forests in its care to address these global societal challenges.



Social Responsibility as a Pillar of Forestland Operations

FIA's foundational values, particularly for trust and respect as well as teamwork, drive our efforts to act in the best interests of social responsibility throughout the execution of our investment activities. As demonstrated in this report's focus on the role of forests in supporting rural communities and the rural economy, we are firm believers that good forestry and well-run private forests contribute to the social fabric of the communities where we operate. FIA-managed forests provide both direct employment and a cascade of indirect jobs and revenue throughout forest sectors around the world, with thousands of FSP staff active on FIA forests. Furthermore, our internal systems and controls for responsible business conduct, which are core parts of our governance, compliance and forest certification systems, ensure we are more effective in promoting social responsibility in the forest sector. For example, topics such as anti-bribery and corruption, business integrity and providing attractive employment opportunities in the forest sector are all key parts of FIA's internal controls, adherence to leading international forest standards and participation in industry associations.

FIA also engages in charitable donations to provide direct support for issues and challenges facing the communities where we invest. Our 2020 contributions shifted toward support for two critical challenges for these communities: the devastating 2020 US wildfire season and the impact of the COVID-19 pandemic on rural communities.

- The first was contributing to the Archie Creek Fire Relief Fund administered by Douglas Timber Operators and the Umpqua Fishery Enhancement Derby. The Archie Creek Fire affected more than 130,000 acres across Douglas County, Oregon, destroyed more than 100 structures and led to a firefighter fatality. As part of the more than 1 million acres of Oregon affected by fire in 2020, the

Archie Creek Fire burned large portions of two FIA management units. FIA has sought to work swiftly and openly with our partners in industry around Oregon to ensure salvage operations take place quickly and safely and that reforestation efforts get underway to return the forest to production. FIA's contribution to the relief fund is a modest effort to support the area as families, communities and nature recover.

- Our response to the impacts of COVID-19 focused on supporting people and families in need through charitable donations to foodbanks in areas hard-hit by the economic ripples of the pandemic. We donated funds to the Second Harvest Foodbank of Northwest Pennsylvania and to the Arkansas Food Bank, both organizations serving people in areas in which we work. Foodbanks became critical in the pandemic not only as unemployment rose but as children were homeschooled, which for many kids around the nation meant losing access to school-based nutrition support through school breakfast and lunch programs. These donations extend our efforts for helping to feed those in need, which have included past and ongoing support to Hunters Sharing the Harvest, which is Pennsylvania's venison donation program for hunters who share their extra venison via a statewide network of participating butchers to food pantries and community assistance centers across Pennsylvania. Each deer can provide 200 meals.

FIA wishes to express our collective gratitude to these organizations for their service and for providing direct connections from the land to local people in need. These relationships reflect the spirit of community that we believe would not be the same without strong, forest-based resources and businesses.

Looking Ahead to Further Growth in Sustainability

FIA anticipates that increased understanding of and interest in the environmental and social benefits of sustainable forestry presents opportunities for us to grow the role of timberland as an asset class. The longstanding characteristics of timberland, such as combination of income and appreciation associated with returns, low correlation with other asset classes and low volatility, will continue to attract interest in the strong risk-adjusted returns of timberland while at the same time contributing to societal goals may become increasingly important to investors. Furthermore, trends toward valuation and market pricing of ecosystem services and advancements in the fields of impact investing also may provide new opportunities for timberland investors to demonstrate and benefit from the environmental and social goods and services we provide through responsible forest management.

Over our more than 35 years of timberland investment management, FIA has continued to evolve and grow as a company and in the services we provide to our clients. These improvements are fueled by R&D that make forest operations more efficient and more intensive without sacrificing the myriad of ecosystem services that forests provide to society. As we look ahead to further growth in sustainability, FIA's priorities include climate risk and disclosure, aligning R&D with measurable environmental and economic benefits and institutionalizing our commitment to RI through ESG procedures and data.

As we explored in this report's focus on forests and their contribution to rural economies, intensively managed, private forests are critical to society today and especially to rural communities and their local economies. This story is brought to life in the US South, where FIA's roots began in 1986 and where we maintain a significant investment presence today; however, this story is replicated across all global forest regions where forests provide not just natural infrastructure but also underpin livelihoods and economies and support rich cultural heritage and recreation. This

importance brings both gravity and reward to our work as timberland investors, because we understand that social responsibility in our industry must deliver good outcomes for landowners, communities, workers and investors.



As the world begins to transition into the “new normal” after the COVID-19 pandemic, FIA believes our business segment has a role to play in recovery and resilience. Our business touches many aspects of the challenges and opportunities facing society as we look toward recovery and building back better. As timberland investors, we contribute to the real economy via the wood products our forests produce, we steward nature through management of these forests and the services they provide and we are financial fiduciaries, responsible for generating returns for our clients. Most of our clients represent institutional pension funds – ultimately these beneficiaries are the teachers, police, firefighters and other public workers – who themselves play a critical role in society and our shared recovery. Ensuring the stability of returns to these systems and their beneficiaries is a duty we take seriously, and we sincerely believe integrating ESG and on-the-ground best management practices helps us perform this duty. We welcome your feedback on this report and hope to engage with you on our efforts to accelerate the sustainability of the forestry sector and elevate the timberland asset class as a sustainable investment solution.

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