

Impact Report 2021



Timberland
Investment
Group

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SECTION 1

Introduction.

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Jace Afsoon/Unsplash

The BTG Pactual Timberland Investment Group's mission is to sustainably manage the world's timberland.

Putting these words into action is a journey that demands continuous evolution and innovation to unlock enhanced climate, social and environmental impacts, while continuing to seek attractive returns for our investors.

The second year of COVID-19 continued to present challenging circumstances for our team, our investors, and the communities where we operate in both North and Latin America. As we continued to navigate these impacts, the pandemic focused global attention on the major challenges of biodiversity loss, global inequity, and the increasingly devastating impacts of climate change.

Against this backdrop, 2021 saw a sharpened recognition of the importance of investment in climate and nature as the private sector seeks to actively address urgent threats to climate stability, human development, and biodiversity. We are very proud to have launched two major new collaborations that each point a new way forward.

The first was an agreement with The Nature Conservancy that seeks to enhance climate action and conservation outcomes in the U.S. on more than 587 thousand acres out of TIG's nearly 3 million acre global timberland portfolio. The second is a collaboration with Conservation International to serve as an impact adviser for our new impact-oriented reforestation investment strategy in Latin America. While these represent slightly different approaches, they share a common goal of aiming to deliver significant climate, environmental and social benefits at a large scale, alongside financial returns. You can learn more about each in this report.

As part of a broader mission to help investors better understand new impact opportunities, we participated in a number of events, forums and initiatives to inform and shape the narrative around the positive role that sustainable forestry can play as a natural climate solution. We hosted an event at COP26 with The Nature Conservancy and Conservation International on the role of sustainably managed forests in combating climate change, protecting biodiversity and supporting local communities



Image credit:
Matthew Smith/Unsplash

and livelihoods. TIG was also featured at the UNDP's Nature Hub during New York Climate Week; we helped organize a panel at the World Forestry Center's annual Who Will Own The Forest Conference on carbon-focused forest investment; and we spoke at a number of events including the Financial Times's Investing for Good USA Conference and BusinessGreen's Net Zero Nature event. In addition, research on the impact of mass timber utilization on climate and forests supported by TIG and a number of other partners was published in a special issue of the scientific journal *Sustainability*.

TIG is proud to be a founding member of the Forest Investors Club, launched by Secretary John Kerry at COP26 - a network of public and private financial institutions committed to raising the scale and scope of investments in restoration, conservation, sustainable forestry, and green infrastructure. We also joined the WBCSD's Forest Solutions Group to contribute to the work being done there to grow an inclusive circular bioeconomy that is rooted in thriving working forests.

2021 was also a year of growth for TIG, with an expansion into Chile and the launch of Vista Hermosa, a company sustainably managing 80,500 acres of commercial timberlands. Vista shares our commitment to sustainability and our desire to innovate new approaches to unlock additional benefits for people and the planet. We also acquired 110,000 acres in the Pacific Northwest of the U.S., expanding our presence in this critical region and opening new opportunities.

This report seeks to improve our stakeholders' understanding of our environmental, social, and governance (ESG) performance related to the timberland assets managed by TIG and our portfolio companies.



GERRITY LANSING

Head of TIG

A stylized black ink signature of Gerrity Lansing.



MARK WISHNIE

Chief Sustainability
Officer, TIG

A stylized black ink signature of Mark Wishnie.



CHARLOTTE KAISER

Head, Impact Finance,
TIG

A stylized black ink signature of Charlotte Kaiser.

Year End Highlights¹

US\$ 4.5 billion in assets under management (AUM)

Nearly **3 million acres** managed in North and South America

US\$ 2.5 billion returned to investors² since inception

21 offices in the U.S. and Latin America³

Headquartered in **Atlanta, Georgia**

More than **120 professional staff**

Institutional timberland management **since 1981²**

Impact Highlights^{1,4,5}



Became members of the World Business Council for Sustainable Development's Forest Solutions Group



34 million trees planted in 2021



97% certified land area⁶



Over 580,000 acres managed under protection or special management designation



13.2 million m³ certified harvest volume in 2021



Increased our carbon stock by 1 million tCO₂e⁷



Over 85 fauna, flora and aquatic assessments conducted across our footprint in 2021



Over 3,600 individuals engaged through TIG and our affiliates' community programs

Scope

ABOUT THIS REPORT

To accomplish our mission, the BTG Pactual Timberland Investment Group (TIG) seeks to achieve compelling returns, while applying high standards of environmental and social governance.

This report aims to support our stakeholders' understanding of our environmental, social and governance (ESG) performance related to the timberland assets managed by TIG and our portfolio companies. It is part of our commitment to fostering an open discourse on both the challenges and opportunities associated with our efforts to enhance our ESG impacts. The data presented in the report is as of December 31, 2021, unless otherwise stated, and reflects TIG's entire global footprint.^{4,5}

This report was developed by TIG and approved by the Head of TIG, Gerrity Lansing, TIG's Chief Sustainability Officer, Mark Wishnie, TIG's Head of Impact Finance, Charlotte Kaiser, and BTG Pactual's Head of ESG, Rafaella Dortas.



Barred Antshrike
(*Thamnophilus doliatus*)
Image credit: Filipe Pacetta

SECTION 2

BTG Pactual and ESG.

Image credit: Johannes Plenio/
Unsplash

About BTG Pactual⁸

TIG is an indirect, wholly owned subsidiary of BTG Pactual (B3: BPAC11), a publicly traded investment bank headquartered in Brazil with a market capitalization of approximately US\$ 20 billion.

TIG resides within BTG Pactual's Asset Management Group, which offers investment strategies across all major asset classes (including fixed income, equities, hedge funds, timberland, private equity, infrastructure, and real estate) and, as of December 31, 2021, had approximately US\$ 100 billion in assets under management.

Founded in the early 1980s, BTG Pactual has 4,900 employees globally, with a presence in the world's major financial centers, supported by a unique partnership model that combines efficiency, client orientation, excellence, independence, and a long-term vision. In 2021, BTG Pactual was named Bank of the Year in Latin America by LatinFinance.⁹ For more information, please see BTG Pactual's Annual Report 2021.



Image credit:
Getty images

BTG Pactual Highlights⁸

4,900
employees
across **9**
countries

US\$ 2.5 billion
total revenue

US\$ 1.2 billion
in adjusted net
income

US\$ 99.0 billion
total assets under
management and
administration
(AuM & AuA)

**US\$ 76.6
billion** total
wealth under
management
(WuM)

96,000 hours
of training
provided to
employees

2021 BTG Pactual Sustainability & ESG Highlights⁸

For additional information, please see
[BTG Pactual's Annual Report 2021](#).



BTG Pactual has responded to the CDP questionnaire since 2015. In 2021, BTG Pactual was scored a B, indicating that we are taking coordinated actions to address climate change issues.

ISEB3 ICO2B3

For the second consecutive year, BTG Pactual was named to the Brazilian stock exchange's Corporate Sustainability Index (ISE B3), Carbon-Efficient Index (ICO2 B3) and Climate Resilience Index (ICDPR-70).



BTG Pactual was the first Brazilian private bank to join the Taskforce on Nature-Related Financial Disclosures (TNFD), a taskforce aiming to develop recommendations for companies throughout the world about the reporting and financial disclosures of risks and opportunities related to nature loss and restoration.



Operating Principles for Impact Management

In April 2021, BTG Pactual signed the Operating Principles for Impact Management developed by the International Finance Corporation (IFC) to provide a framework for investors to ensure that impact considerations are integrated through an investment’s lifecycle.



BTG Pactual’s previous Chief Financial Officer and current member of the Board of Directors (pending approval from Brazilian Central Bank), João Marcello Dantas Leite, joined the “CFO Taskforce for the SDGs,” a taskforce convened by the United Nations (U.N.) to engage the financial managers of companies from all over the world. Please find the [case study here](#).



UNEP
FINANCE
INITIATIVE | PRINCIPLES FOR
RESPONSIBLE
BANKING

BTG Pactual published its first report on the adherence of our practices to the Principles for Responsible Banking (PRB/UNEP-FI), thereby increasing the transparency of social and environmental actions with special focus on climate. Please [find it here](#).

Sustainability & ESG at BTG Pactual

ESG principles are integrated across BTG Pactual's activities and inform multiple levels of the organization's governance structure and stakeholder engagement.

ESG STRUCTURE¹⁰

Board of Directors

The Board of Directors is the highest governance body for ESG risk management, responsible for approving ESG policies and ESG strategy including corporate sustainability and climate, social, and environmental risk.

ESG Committee

The second highest decision-making body, under the chairmanship of CEO Roberto Sallouti, supports BTG Pactual's initiatives to promote responsible investing, sustainability, transparency, and climate, social and environmental risk management.

ESG & Impact Investing

A high caliber team of environmental, occupational health and safety, economics, legal and financial management experts tasked with guiding ESG integration through all business units and with launching sustainable and impact investing products.

Business Units

Regularly identify ESG and impact investing risks and opportunities, which are evaluated alongside overall performance of each portfolio and tied to incentive compensation of key team members.

RESPONSIBLE
GROUP

LEADS

GOALS & RESPONSIBILITIES

<p>BANCO BTG PACTUAL</p>	<p>Board of Directors 8 members including 3 outside, independent members</p>	<p>Nelson Jobim Executive Chairman Huw Jenkins Vice Chairman of the Board</p>	<p>Provide general business guidance; appoint executive officers; provide strategic guidance; approve the annual report; and review and approve risk management policies and practices.</p> <p>Supported by a complete structure of committees including an Audit Committee, Remuneration Committee, Risk & Capital Committee, Compliance Committee and ESG Committee.</p>
<p>BTG PACTUAL ESG RISK MANAGEMENT</p>	<p>ESG Committee & ESG Risk Management Group</p>	<p>Iuri Rapoport Chief Sustainability Officer, BTG Pactual Rafaella Dortas Head of ESG</p>	<p>Second highest decision-making body, under the chairmanship of CEO Roberto Sallouti. Supports BTG Pactual's initiatives to promote responsible investment, sustainability, transparency, and climate, social and environmental risk management.</p> <p>The ESG Risk Management team is responsible for conducting social and environmental risk assessments, developing procedures, and training other employees on ESG topics.</p>
<p>TIMBERLAND INVESTMENT GROUP (TIG)</p>	<p>Executive Committee & Timberland Management Committee</p>	<p>Gerrity Lansing MD Partner & Head, TIG Mark Wishnie Chief Sustainability Officer, TIG</p>	<p>Provide overall strategic leadership of TIG; review, approve, and implement firm-wide policies; oversee investment management and all related process and support functions.</p> <p>Support TIG's mission to sustainably manage the world's timberland; develop and implement timberland-specific ESG policies; support firm-wide ESG risk and opportunity identification, assessment, and management.</p> <p>Provide industry leadership and support sector-wide efforts to realize the potential of sustainable forestry to help address the global climate and biodiversity crises.</p>
<p>TIMBERLAND INVESTMENT GROUP ESG RISK MANAGEMENT</p>	<p>Investment Management & Operations</p>	<p>David Duncan Head of U.S. Transactions, Asset Management & Strategic Initiatives Matheus Moura Head of Latin America Transactions & Investment Management</p>	<p>Ensure ESG risks and opportunities are incorporated into TIG investment management and operations.</p> <p>Ensure compliance with TIG and independent, third-party sustainable forestry certification standards across our portfolio, and that TIG's activities support the resilience and productivity of the landscapes in which we operate.</p>

Commitment to ESG integration from BTG Pactual and TIG executives is further demonstrated by the close alignment of all internal stakeholders, as shown in the figure above.

BTG Pactual ESG Policies¹¹

BTG PACTUAL'S GLOBAL SUSTAINABILITY POLICY

This policy establishes BTG Pactual's sustainability commitments. It defines the principles and directives that guide the Bank's activities and businesses; it defines the relationships with interested parties and the business decision-making process; and it establishes who is responsible for the implementation of the bank's sustainability commitments.

BTG PACTUAL'S RESPONSIBLE INVESTMENT POLICY

This policy helps guide asset selection by BTG Pactual Asset Management. It comprises a set of principles and directives that guide the management of assets. The policy places emphasis on a long-term vision, and ethical and responsible management.

Image credit: Aleksandar Radovanovic/Unsplash

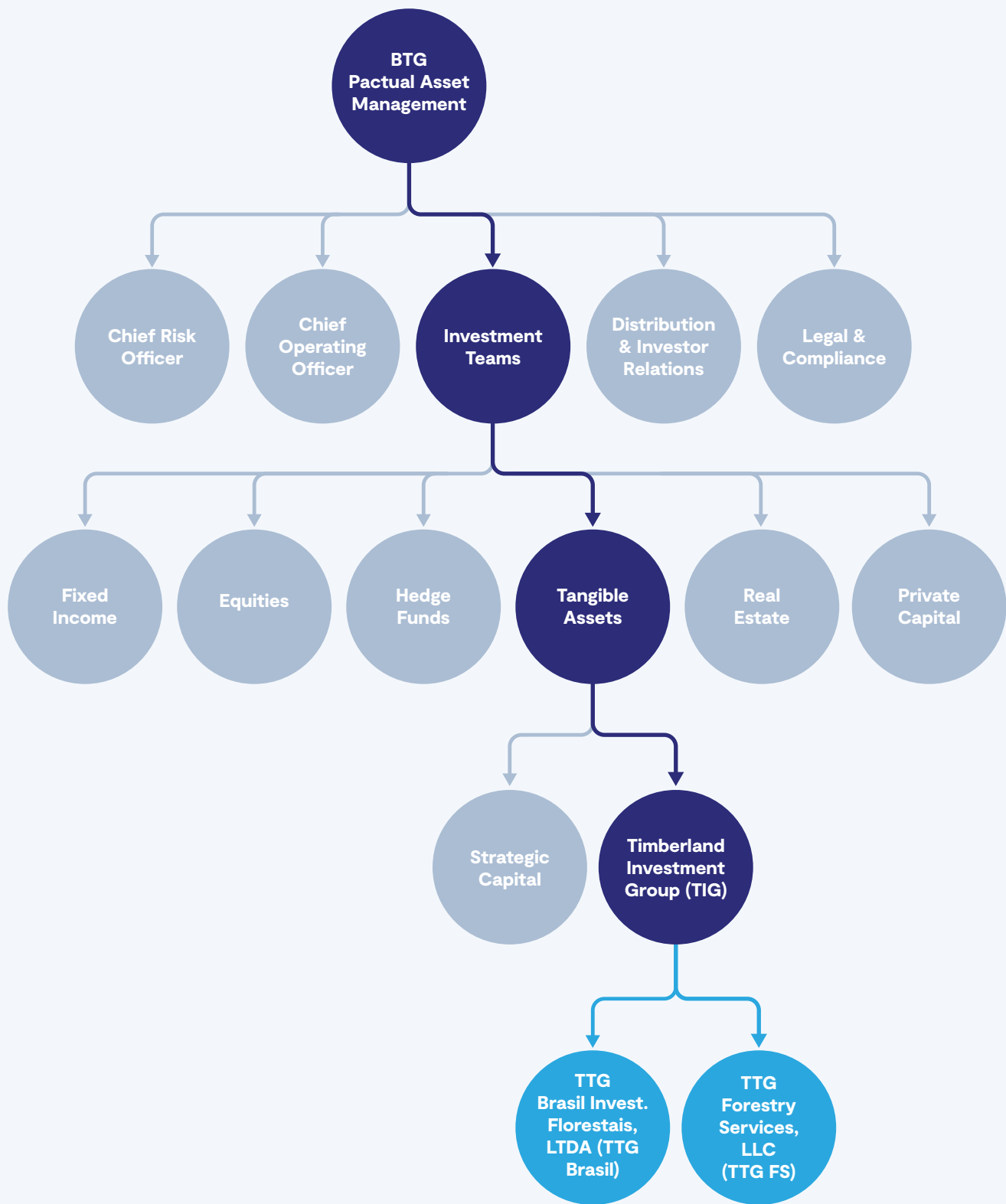


SECTION 3

TIG and ESG.

Image credit: Getty Images

BTG Pactual asset management organizational structure



About TIG¹

The Timberland Investment Group is one of the world's largest and oldest timberland managers. In 2021, TIG managed nearly US\$ 4.5 billion in assets and commitments and nearly 3 million acres of commercial timberland throughout the U.S. and Latin America. TIG has a more than 40-year track record of timberland investment. Since our inception, more than US\$ 2.5 billion has been returned to investors.² Together with our subsidiaries, TTG Forestry Services (TTG FS) in the U.S. and TTG Brasil Investimentos Florestais LTDA (TTG Brasil) in Latin America, TIG has more than 120 professional staff and an on-the-ground presence through 21 offices across the Americas, bringing local, regional, and global experience to bear on the careful management of client investments.³

Image credit:
Samuel Ferrara/
Unsplash



Geographic Footprint^{1,3,4}



With 21 offices across the U.S. and Latin America, TIG manages nearly 3 million acres globally

★
New Office in 2021

U.S.
1,486,141 acres
54 team members in 11 strategically located offices

Brazil
761,640 acres
67 team members in 8 strategically located offices

Chile
198,892 acres



Uruguay
309,526 acres

Sustainability Commitment

TIG's mission is to sustainably manage the world's timberland, with an aim to generate attractive returns. We seek to deliver this through four key pillars.

Principled investing

We are committed to responsible investment practices across all assets under our management. We carefully evaluate environmental and social (E&S) risks and opportunities related to our investments.

Disciplined management

We seek to bring rigorous analysis to our investment decisions. We bring educated thinking to bear, drawing on the deep experience of our teams, external resources, and leaders from other industries to deeply test our thinking and assumptions. We strive to arrive at the best possible outcomes for generating sustainable outcomes and financial performance.

Innovative sustainable practices

We continuously seek to enhance our sustainability practices in order to amplify the social and environmental impact of our investments. We apply robust measurement and monitoring frameworks to track and report on these impacts.

Client focus

We provide a robust institutional experience for our clients. We apply expertise, rigor, and diligence to the management of our clients' assets, including to our environmental and social (E&S) performance.

Responsible Investment Principles

Building on BTG Pactual’s ESG commitments and policies, TIG maintains nine timberland-specific responsible investment principles that provide the basis for our responsible investment strategy.

1. Strictly comply with all environmental, social, health and safety laws, regulations, and standards

2. Foster environmental protection and enhance biodiversity conservation

3. Respect and uphold human rights in all operations and contracts

4. Develop local and regional supply chains and prioritize local hiring

5. Strictly comply with anti-corruption and bribery regulations

6. Foster open dialogue and positive engagement with local communities

7. Promote ESG awareness among employees

8. Report ESG performance with clarity and transparency

9. Commit publicly to global initiatives that strengthen our values

Industry Associations¹²

Through BTG Pactual, TIG adheres to a number of important initiatives that reinforce our commitment to sustainability and promote the adoption of responsible investing in the financial sector.

BTG Pactual is a signatory to the United Nations Principles for Responsible Investment (PRI), the United Nations Global Compact, the Carbon Disclosure Project (CDP), and the Equator Principles. BTG Pactual is also a member of the Brazilian Coalition on Climate, Forests and Agriculture, the Global Impact Investing Network (GIIN), the United Nations Environment Program Finance Initiative (UNEP FI), and the Principles for Responsible Banking. In 2021, TIG also became a member of the World Business Council for Sustainable Development's Forest Solutions Group (WBCSD FSG).

BTG Pactual is a signatory to the Business Pact for Integrity Against Corruption.



TIG Industry Leadership & Professional Service¹²

In addition to its associations through BTG Pactual, TIG's staff participate in a range of industry initiatives and associations in the markets in which we operate.

This is part of our broader effort to drive development and innovation in the sector, as well as to support the implementation of best practices that promote the sustainable management and the long-term health of working forests.

Global

Memberships

Biogenic Removals Technical Working Group, Land Sector and Removals Update, Greenhouse Gas Protocol, World Resources Institute and World Business Council for Sustainable Development

Expert Advisory Panel, Mainstreaming Pathways to Close the Finance Gap for Nature-based Solutions, The Sustainability Accelerator, Chatham House

Executive Committee, The Forest Dialogue, Yale School of Forestry & Environmental Studies

Sustainable Mass Timber Community of Practice, World Economic Forum



Image credit: Robin Canfield/Unsplash

Uruguay & Chile

Uruguay Memberships

Grupo Forestal del Norte

Commission of the Valle del Lunarejo and Sierra de los Ríos

Fire Combat team, Sociedad de Productores Forestales (SPF)

Vice President and Member

Gender Group, Unión de exportadores del Uruguay (UEU)

Negotiation Team Member

Industrial Wage Council
Commission, Uruguay

Forestry Wage Council
Commission, Uruguay

Board Memberships

Communications and Social Projects
Group, Sociedad de Productores
Forestales (SPF), Uruguay

Arcoiris Childcare Center, Uruguay

Chile Memberships

Corporación Chilena de la Madera
(CORMA)

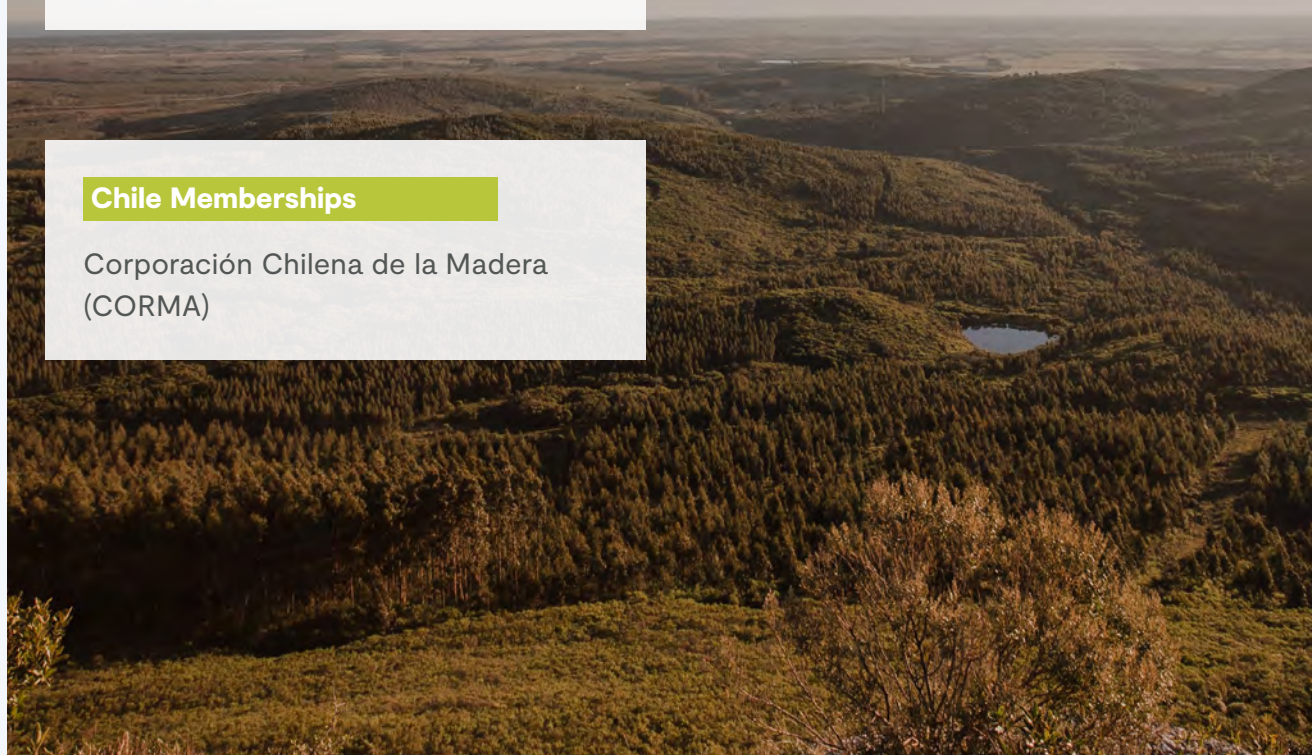


Image credit: Juan Pablo Puleto/Unsplash

U.S.

Memberships

Alabama Forestry Association
California Forestry Association
Mississippi Forestry Association
Ohio Forestry Association
Ohio SFI Implementation Committee
Oregon Forest Industries Council
Tennessee Forestry Association
Virginia SFI Implementation Committee
Washington State SFI Implementation Committee
North Carolina SFI Implementation Committee
South Carolina SFI Implementation Committee
Oregon SFI Implementation Committee
Operating Committee and Air Task Group, National Association of Forest Owners (NAFO)
Ad Hoc Task Group focused on diversity and inclusion, National Alliance of Forest Owners (NAFO)

Board Memberships

Texas Forestry Museum
National Alliance of Forest Owners (NAFO)
Texas Forestry Association

Invited Participant

Regional Dialogue on Incentivizing Mass Timber to Reduce Climate Change, Meridian Institute and ClimateWorks Foundation

Member of the Board of Trustees

Washington Forest Protection Association

Image credit: Mike Petrucci/Unsplash

Brazil

Memberships

Reflore, Associação Sul-Mato-Grossense de Produtores e Consumidores de Florestas Plantadas

Associação Paranaense de Empresas de Base Florestal (APRE)

Florestar, Associação Paulista dos Produtores, Fornecedores e Consumidores de Florestas Plantadas

Associação Catarinense de Empresas Florestais (ACR)

GT Restauração – Sociedade de Investigações Florestais (GT RESTAURAÇÃO – SIF)

Forest Stewardship Council (FSC)®

Committee and Board Member

Associação Mineira da Indústria Florestal (AMIF)

Founder and Coordinator

Forestry Committee Indústria Brasileira de Árvores (Ibá)

Committee Member

Programa Cooperativo sobre Certificação Florestal (PCCF)

Instituto de Pesquisas e Estudos Florestais (PROTEF)

Image credit: Tiago Fioreze/Unsplash

SECTION 4

TIG Impact Framework^{1,12}

Image credit: Getty Images

Through an initial materiality assessment conducted in 2020, TIG has established our Impact Framework around four impact dimensions that align closely with our mission: nature positive landscapes, opportunity for all, climate action, and governance.

In the diagram below, we highlight key themes and metrics for each dimension that guide the development of key performance indicators and reporting.



Nature Positive Landscapes

TIG aims to sustain and enhance the many ecosystem services that our forests provide and to employ sustainable management practices in adherence with the Forest Stewardship Council (FSC)® and Programme for the Endorsement of Forest Certification (PEFC) standards.



Biodiversity

Ensuring sites that hold exceptional ecological, social, or historical significance remain intact for future generations is central to TIG’s commitment to stewardship. We adopt a whole-of-landscape approach to identify where conservation and protection will deliver the greatest impact, and to understand how we can best deliver enhanced environmental and climate outcomes while also generating returns for investors.

We are committed to identifying, monitoring, and protecting endangered and threatened species, as well as to protecting areas of high ecological significance. We conduct thorough due diligence and periodic assessments to better understand the ecological values across our properties. Based on our findings, we adapt our management to support and enhance habitat, biodiversity, and other values, and also better understand how these change over time. More than 50 species of threatened, endangered or other listed species were identified within our footprint in 2021.

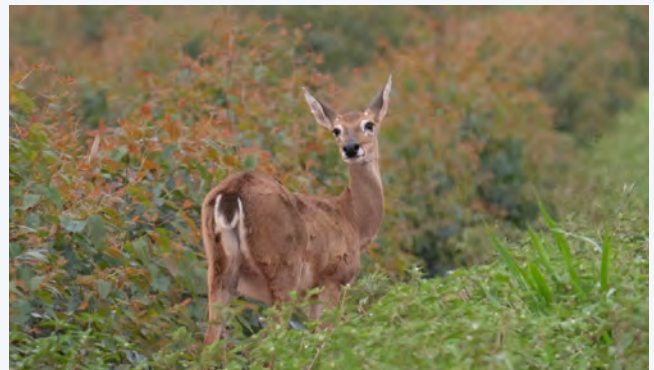
KEY FACTS AND FIGURES



More than **85** fauna, flora and aquatic assessments conducted across our footprint in 2021



More than **580,000** acres managed under protection or special management designations



Top left: Burrowing Owl (*Athene Cunicularia*) Image credit: Filipe Pacetta

Top right: Amazonvine (*Stigmaphyllon diversifolium*) Image credit: TIG

Bottom: Pampas Deer (*Ozotoceros bezoarticus*) Image credit: Filipe Pacetta



Case Study: Beaver Dam Analog Research

Ecologists from King County, Washington, U.S. are in the early stages of a project funded by the Washington Department of Ecology to study the water storage and stream flow effects of beaver dam analogs – which are human-built beaver dams – in the Upper Green River Watershed. The goal is to attract beavers to the area as they are a keystone species that can play an important role in creating and maintaining healthy ecosystems and helping manage water-related issues such as drought, flooding, and water pollution.

The project has identified a number of study areas in high-elevation stream systems, including one within TIG’s footprint. In some of the study areas, beaver dam analogs will be installed along with willow plantings, and in other study areas, only willows will be planted.

The study is designed to determine whether beaver dam analogs are necessary to attract beavers, or if an enhanced food supply alone is adequate. The goal of the current, first phase of the project is to establish baseline environmental conditions. During the second phase of the project, researchers will quantify the effects of beaver dam analogs on water storage, summer baseflows, vegetation communities, channel morphology, and beaver activity.



Image credits: Getty Images



American Beaver (*Castor Canadensis*) Image credit: Getty Images



Biodiversity Snapshot

TIG's properties are home to an incredible variety of plants and animals. The images below show a small sample of some of these amazing species.



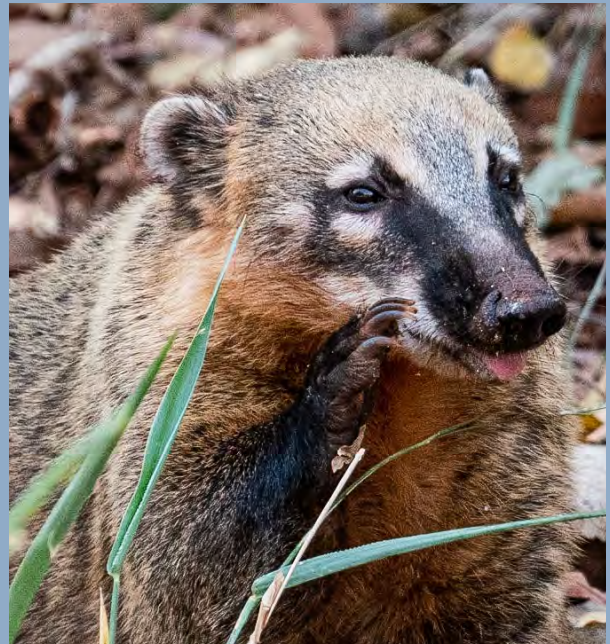
Roosevelt Elk (*Cervus Canadensis Roosevelti*) Image credit: TIG



Copaifera langsdorffii Image credit: TIG



Amazon Kingfisher (*Chloroceryle Amazona*) Image credit: Filipe Pacetta



South American Coati (*Nasua Nasua*) Image credit: Filipe Pacetta



Southern tamandua (*Tamandua tetradactyla*) Main image credit: Getty images. Inset image credit: TIG.



Paca (*Cuniculus*) Main image credit: Getty images. Inset image credit: TIG.



Maned Wolf (*Chrysocyon Brachyurus*) Main image credit: Getty images. Inset image credit: TIG.

In order to support our fauna monitoring program in Brazil, TIG uses small devices installed among bushes or on tree trunks called camera traps. Camera traps are equipped with motion sensors that cause the camera to capture an image when motion is detected. These “traps” provide a non-intrusive way for us to monitor the different species of animals living within our managed footprint, such as the southern tamandua, paca, and maned wolf pictured here.

Water

Forests can play a vital role in maintaining healthy watersheds by stabilizing slopes, reducing overland flow of sediment and contaminants to streams and rivers, moderating water temperatures, enhancing infiltration to ground water, and providing important habitat for aquatic, riparian and wetland species. TIG’s approach to watershed management involves a mosaic of strategies that include the careful management of road systems and stream crossings to reduce disturbance and sedimentation, protection of streamside forests and wetlands, and other actions to help support watershed health.



Image credits: TIG

KEY FACTS AND FIGURES



9,246 miles of streams protected by forest buffers and special management zones



8,080 acres of working forest conservation easements focused on watershed protection





Case Study: Washington State, U.S., Road Maintenance

The ecological impact of forest roads can vary greatly depending on location, design and maintenance. If not managed well, forest roads can cause erosion and increase sediment delivery to streams, meadows, and riparian areas, among other negative impacts.

Washington State's Department of National Resources maintains a set of minimum standards for road maintenance required on active haul routes. However, in an effort to ensure good stewardship, TIG applies a set of additional standards to reduce or eliminate any negative impacts of its road systems.

These include:

- Actively monitoring and repairing ditch-lines and other drainage structures so that the roads shed excess water
- Installing cross-drains and culverts at higher than minimum frequencies to ensure proper road drainage, lowering the chance of ditch water overwhelming the road drainage system
- Installing sediment control structures, including ditch relief culverts at every live water crossing in order to isolate ditch water away from live water

- Actively grading and patching road surfaces to maintain road prism integrity, particularly during log hauling activity
- Avoiding hauling activities in areas prone to instability or with highly erosive soils, especially during wet weather

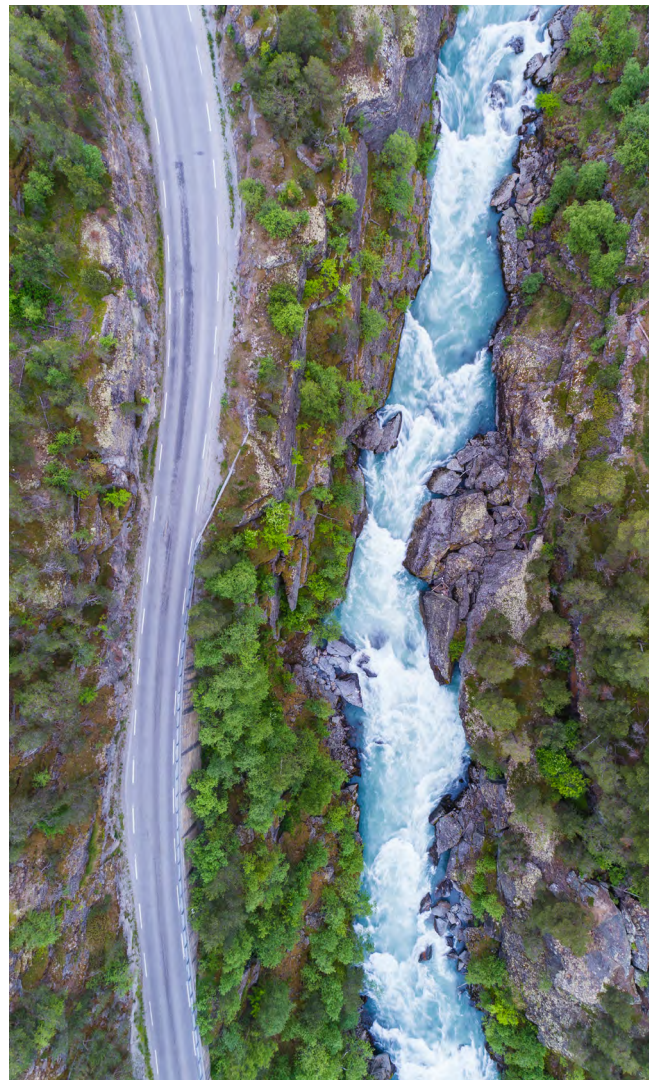


Image credits: Getty Images

Sustainable Forest Management

TIG practices sustainable forestry in accordance with all applicable laws and regulations and in compliance with third-party standards for sustainable forest management, including the Forest Stewardship Council (FSC)® and Programme for Endorsement of Forest Certification (PEFC). The management of TIG’s assets in compliance with our certification standards is the responsibility of all TIG staff, and is supported by dedicated E&S and certification specialists. All FSC and PEFC certifications are subject to annual, independent third-party audits.

KEY FACTS AND FIGURES



Nearly **3 million** acres under management



97% certified land area⁶



54,280 acres cumulatively reforested by TIG in 2021



Image credits: TIG



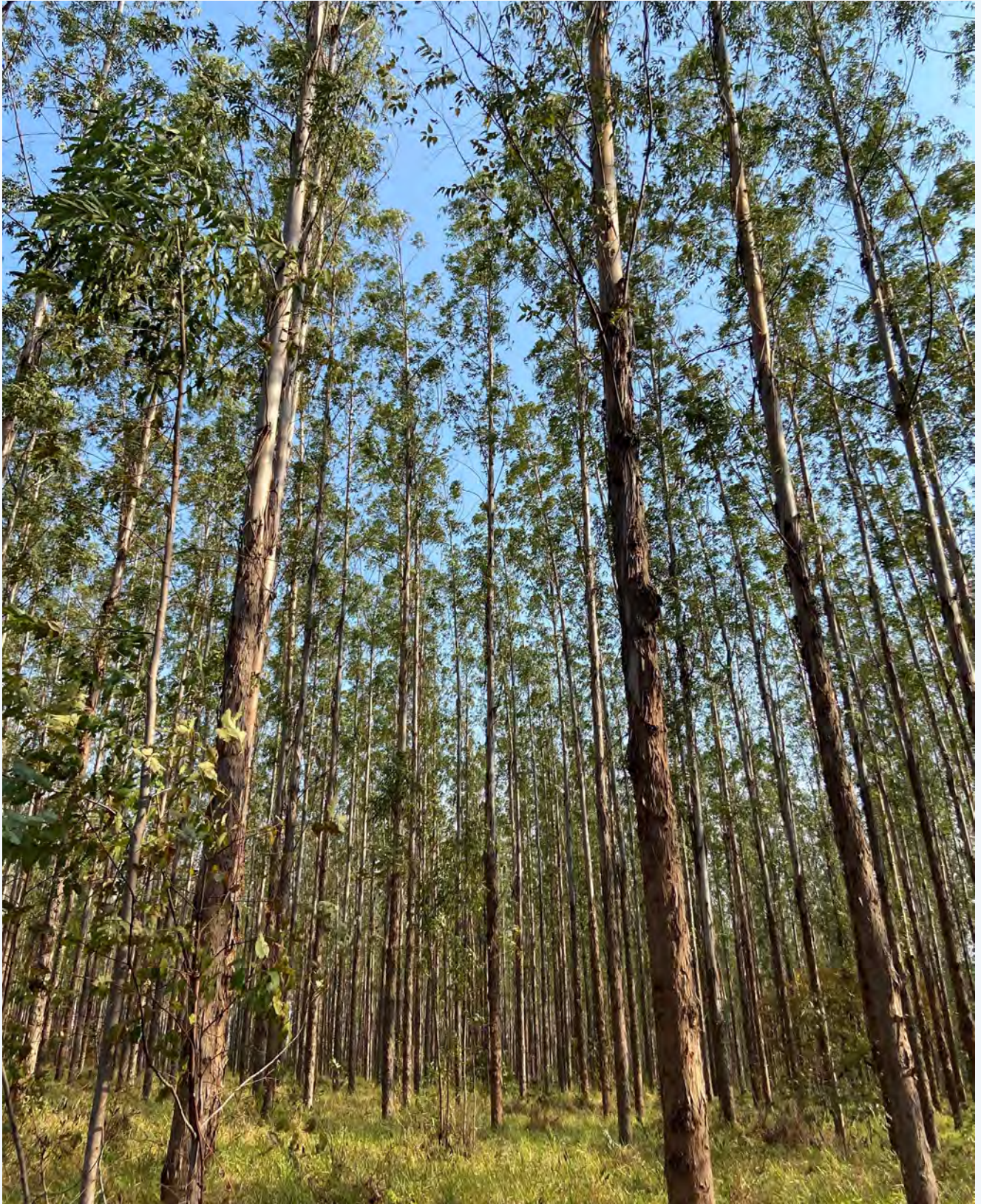


Image credit: TIG



Case Study: Collaboration with The Nature Conservancy¹³

The Nature Conservancy (TNC) and TIG launched a collaboration in 2021 to leverage the potential of sustainably managed forests across the United States to address the twin crises of biodiversity loss and climate change. The first-of-its-kind initiative seeks to enhance climate action and conservation outcomes on more than US\$ 953 million out of TIG's US\$ 4.5 billion global timberland portfolio. TNC serves as Conservation Advisor for 587 thousand acres managed by TIG across the U.S. (an area more than twice the size of Rocky Mountain National Park in the U.S.). TIG and TNC are establishing science-based targets with the goal of delivering on-the-ground climate and conservation outcomes at scale. TIG will incorporate these targets with the objective of maintaining or enhancing financial performance. TIG and TNC are assessing a wide range of conservation opportunities, including supporting habitat restoration and connectivity, enhancing water quality, and generating high-quality carbon offsets. This collaboration involves core timberland assets in eleven states, including the US South, the Lake States and the Pacific Northwest, and includes large areas that TNC has identified as having high conservation value.

The initiative seeks to leverage new sources of capital that are emerging to help finance additional conservation and climate action through working forests. The United States Government has recently permanently funded the U.S. Land & Water Conservation Fund at US\$ 900 million a year, which significantly increases funding for conservation easements on private land. In addition, voluntary carbon markets are also expanding as corporations and investors pursue comprehensive, science-based carbon-reduction strategies that incorporate high-quality carbon credits as a component of their path to net-zero, offering further support for sustainably managed, climate- and nature-positive working forests.





Snapshot: Mato Grosso do Sul – Brazil

Our assets in Brazil include more than 261,000 acres under protection or special management designations. These areas are managed according to conservation criteria guided by legal authorities, scientific research and cooperation and collaboration with local communities and environmental organizations. The photo below shows a permanently protected legal reserve area on one of TIG’s investment properties.



Image credit: TIG. Please note that the property pictured above was acquired by TIG in 2022.

Sustainable Production

TIG believes that well managed forests and responsibly produced forest products are key inputs to a sustainable bioeconomy. We harvest in accordance with sustainable forest management standards and best management practices across our footprint.

KEY FACTS AND FIGURES



13.2 million m³ certified harvest volume



246,572 m³ certified product produced¹⁴



Image credit: Lumin

Case Study: Lumin Tropical Replacement Panel (TRP) Thin Peel Plant¹⁵

In 2021, Lumin, a TIG portfolio company, completed construction of a veneer plant in Tacuarembó, Uruguay, next to its existing plywood mill, bringing total production capacity to more than 265,000 cubic meters. This new facility was designed to optimize the use of logs to produce less waste and it allowed Lumin to launch a new sustainable panel line called TRP. TRP stands for ‘tropical replacement panel’ and that’s exactly what the product does. The thin peel panels are made with appearance-grade veneers from sustainably managed, Forest Stewardship Council® certified planted tree farms. TRP panels are designed to compete directly with tropical hardwood plywood, and may reduce pressure on natural tropical

forests. The innovation and commitment to sustainability doesn't stop there. Lumin uses each and every part of the logs it harvests. Waste materials are used as biofuel for Lumin's 10MW power plant, which enables its industrial facilities to be net suppliers of bioenergy to the Uruguayan electricity grid.

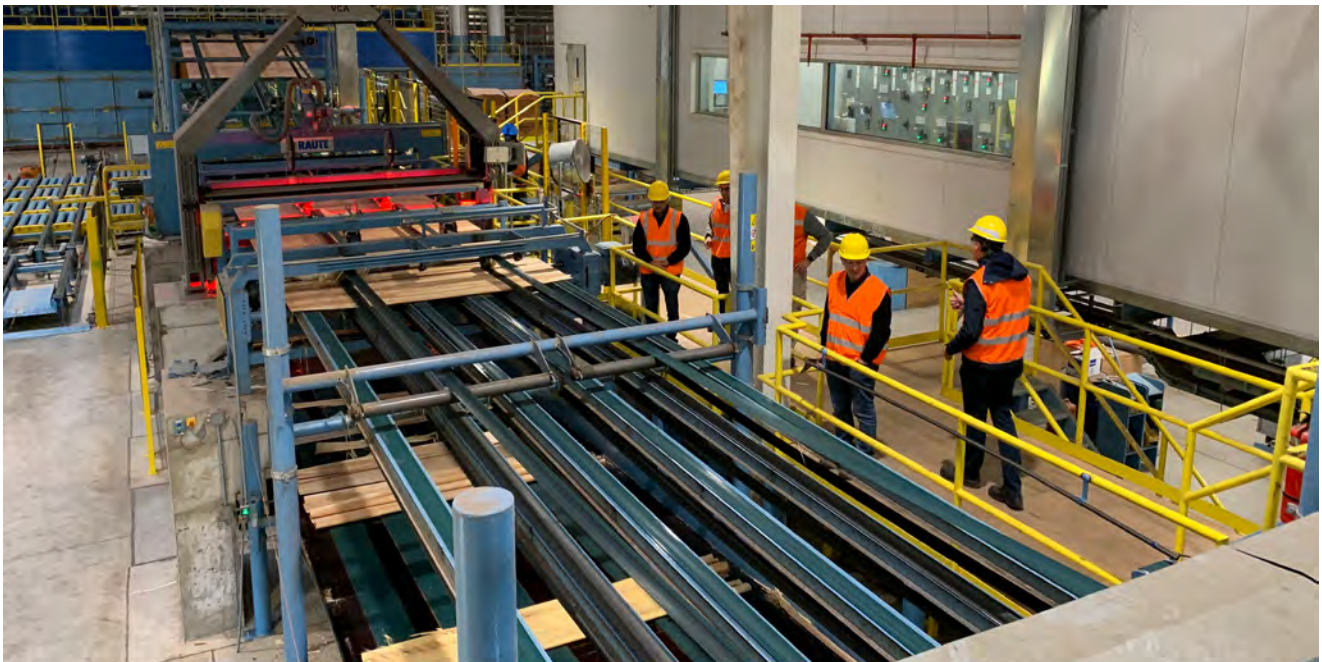
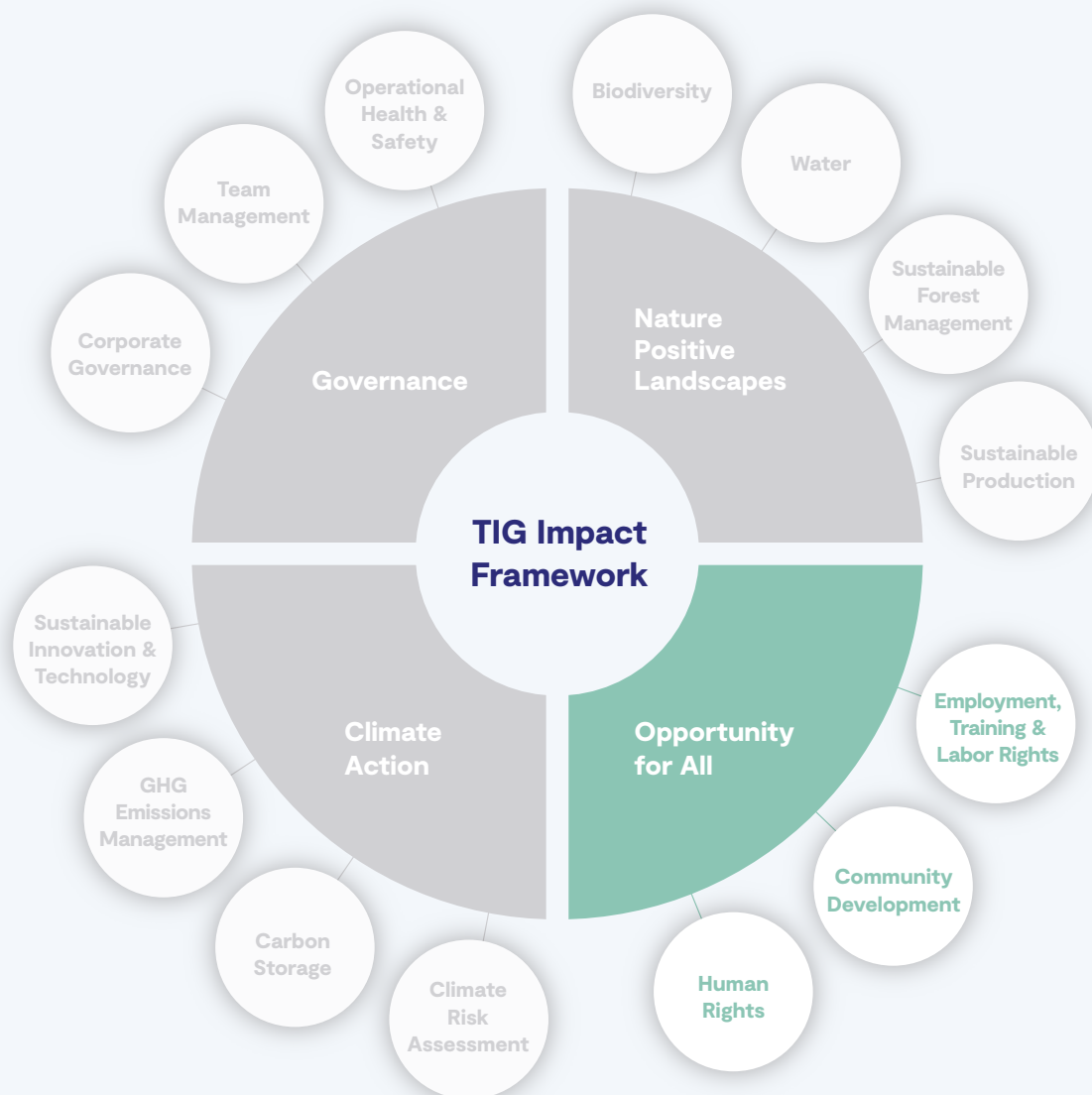


Image credits: Lumin

Opportunity for All¹⁶

TIG staff proactively engage with local communities, seeking opportunities to collaborate and support community development, job creation and recruitment, education, and other initiatives.

We recognize that as significant landowners and employers in many of the landscapes in which we operate, inclusion is not just a moral imperative, but also a pragmatic business imperative to maintain the social license and social support to serve as long-term stewards and managers.





Employment

TIG seeks to build a diverse team of highly qualified professional staff able to bring a broad range of expertise and perspectives to bear on the careful, disciplined management of our assets. Through our operations, which are largely located in rural areas of North and South America, TIG seeks to prioritize hiring locally-based employees and contractors, and seeks to build local supply chains and capacity where possible.

JOB CREATION

TIG is a significant employer, either directly or through contracted service providers, in many of the regions we operate.

In particular, timberland investments can deliver significant economic benefits for rural communities. In 2021, TIG and our subsidiaries directly employed 121 individuals across our footprint and more than 3,000 full-time equivalent (FTE) jobs were supported for forest management, harvesting, transportation services and other services.

KEY FACTS AND FIGURES



121 directly supported and financed jobs (Internal)



More than **3,000** directly supported and financed jobs (External)



Image credit: Getty Images



Image credit: TIG

GENDER DIVERSITY

BTG Pactual and TIG have made diversity, equity, and inclusion a priority in our hiring processes, rigorously revising relevant policies on an annual basis. In 2020, BTG Pactual established a formal Diversity Committee tasked with managing a range of programs designed to increase diversity, inclusion and equity across the firm. In 2021, TIG launched a partnership with Columbia University’s Climate School to create a specific internship program called “Women in Finance and Forests.” The program was launched with the goal of recruiting students who identify as women to bridge the existing gender gap in the forest and finance industries. For the second year of this partnership, an intern will join TIG’s team in New York for a 12-week internship during summer 2023.

“We are excited to partner with BTG Pactual on its Women’s Forestry & Finance (WFF) Internship Program, which was created to help address the underrepresentation of women in this critical sector. The internship will provide exposure to different parts of the investment bank’s team that is working on climate-positive forestry and natural climate solutions, including business development, marketing, and investment management. Columbia Climate School is committed to connecting students and alumni to professional opportunities such as this, through the development of partnerships with organizations that are working on climate solutions.”

Natalie Unwin-Kuruneru,
Senior Director, Academic Initiatives,
Columbia Climate School

 **COLUMBIA CLIMATE SCHOOL**
Climate, Earth, and Society

TIG Team Gender Composition¹⁶

Team	Female	Male
Senior Management Team & Boards of Directors of Portfolio Companies	19%	81%
Investment Professionals & Administrative Staff	43%	57%
Operations Senior Management Team	8%	92%
Operations Administrative Staff	34%	66%



Image credit: Getty Images

TRAINING

We engage employees, external contractors and property managers in comprehensive training to seek to ensure that TIG’s ESG policies are reflected across our operations. We also provide Anti-Corruption and Code of Conduct training to all our employees. All employees receive this training at the time of hire and on a periodic basis thereafter.

Number of Training Sessions Administered (2021)

Training Description	Employees	Forest Management Contractors & Harvesting and Transportation Crews
Occupational Health & Safety, Legal, Professional Training	86	3,967
Forest Certification, Sustainability and Environmental Training	77	1,474

LABOR RIGHTS

TIG complies with, and requires that providers of forest management field services comply with, local labor laws and regulations, as well as with our Forest Stewardship Council (FSC)[®] or Programme for the Endorsement of Forest Certification (PEFC) certifications. We also engage employees and contractors in trainings to ensure safe operations and appropriate implementation of our environmental and social policies.

In addition, TIG certifies all eligible properties to third-party sustainability standards, including the FSC and PEFC standards. Certification auditors evaluate TIG's compliance with local labor laws, occupational health and safety standards, and safe and fair working conditions.

Community Development

TIG seeks to ensure our investments provide positive environmental, social and economic impact for local communities. Consulting with communities, continually assessing their needs and capacities and feeding this back to management decisions, and deliberately developing projects and programs that provide direct benefit to community members are all key pillars of our approach.

EDUCATION

- **Training Program for Young and Small Rural Producers:** In 2019, TIG established the Young and Small Rural Producers Training Program in the municipality of Leme do Prado in Minas Gerais, Brazil. The program provides training to young professionals and small business owners working in agribusiness. Workshops focus on entrepreneurship, finance and accounting, and business administration. To date, 32 individuals have received training.
- **Project Learning Tree:** Established in 2005, Project Learning Tree aims to support the Uruguayan educational system through a set of programs, resources, and teacher trainings focused on environmental education. In 2021, Lumin supported Project Learning Tree by hosting environmental lectures in nearby schools. These lectures are typically held outdoors and, after they are over, students have the opportunity to plant native trees.

KEY FACTS AND FIGURES



Over **3,600** Individuals engaged through TIG and our affiliates' community programs

- **Arcoiris Educational Center:** Lumin continued its support of the Arcoiris Center, which provides childcare and early education for the children of Lumin employees in Tacuarembó, Uruguay. Arcoiris was established in 2018 and in 2021 had 59 enrolled students and 21 contracted professionals including teachers, mental health professionals, and administrative and support staff.



Image credit: Lumin



HEALTH

- **Uruguay Cardiosecure Program:** In support of Uruguay’s Cardiosecure Program, Lumin donated a defibrillator to the municipal sports center of Las Toscas de Caraguatá, Tacuarembó in 2021. Uruguay’s Cardiosecure Program aims to make defibrillators accessible in every space where sports activities are carried out in the country.
- **CERCA Cardiac Center:** In 2021, Lumin supported the establishment of the first CERCA Center in Tacuarembó, a space dedicated to training people on defibrillator use and cardiopulmonary resuscitation (CPR). Lumin sponsored the training of local school physical education teachers, local government officials, and Lumin contractors.

RECREATION

- **Public Hunting Access:** TIG made more than 1,400 hunting leases available across 563,018 acres of its U.S. footprint
- **Recreational Public Areas:** TIG made 197,720 acres of land in the U.S. available for public access, allowing local communities to engage in outdoor activities such as hiking, biking, and camping



Image credit: TIG

KEY FACTS AND FIGURES



More than **1,400** leases for recreational hunting



More than **560,000** acres leased for hunting, which we estimate has provided access for more than **5,000** individuals

COMMUNITY DEVELOPMENT

- **Beekeepers Associations:** TIG supported previously formed partnerships with local beekeeper associations in Brazil and Uruguay to place apiaries across its properties. The honey goes to cooperative members and, in Brazil, a small portion of the honey is also donated to nearby communities.
- **Community Engagement and Environmental Education Program:** Established in 2017, this TIG-led initiative aims to engage local community groups in 9 municipalities across Minas Gerais, Brazil. The program seeks to cover environmental conservation and environmental health through lectures, courses, and workshops. In addition, the program aims to create an open forum for local community groups and stakeholders to debate and reflect on how to incorporate these learnings into their daily lives. In 2021, the program engaged 357 people.



Case Study: Salmon Project in the Pacific Northwest (PNW), U.S.

Washington State's glacier-fed Puyallup River flows from the side of Mount Rainer into Commencement Bay in Puget Sound. Each year, chinook, coho, chum, and pink salmon – together with steelhead and sea run cutthroat trout – return to the river from the ocean to spawn. After spawning, the salmon die, delivering critical nutrients back into both freshwater and terrestrial ecosystems.

The Puyallup flows through some of TIG's managed properties, and we are especially aware of how important this beautiful watershed is to the regional ecosystem and to local communities. When we were approached by the Gig Harbor Puget Sound Anglers Club for access to the Mashel Tree Farm as part of a stream nutrient recycling project, we were extremely happy to be able to help.

The club works with the Puyallup Tribe to distribute deceased fish from local hatcheries into the upper reaches of the Puyallup River and its tributaries, under the direction of Puyallup tribal biologists. The project – which supports key elements of our Sustainable Forestry Initiative Certification – returns critical nutrients to the upland forest ecosystem.

Working with local communities and other stakeholders to ensure the health of ecosystems in and around our properties is an important part of TIG's commitment to good stewardship. We look forward to continuing to support this project, and others like it, in the future.



Image credits: TIG



Human Rights

Our commitment to respect human rights is a fundamental component of our approach to responsible investment. Specifically, BTG Pactual, and TIG as a subsidiary, is a signatory to the United Nations Global Compact, which sets forth Ten Principles on human rights, labor, environment, and anti-corruption. Through our alignment with the Ten Principles, TIG aims to contribute to the U.N.'s sustainable development goals.

U.N. Global Compact's Ten Principles

HUMAN RIGHTS

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2:** make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** the elimination of all forms of forced and compulsory labour; and
- Principle 5:** the effective abolition of child labour; and
- Principle 6:** the elimination of discrimination in respect of employment and occupation.



Image credit: Getty Images



ENVIRONMENT

- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

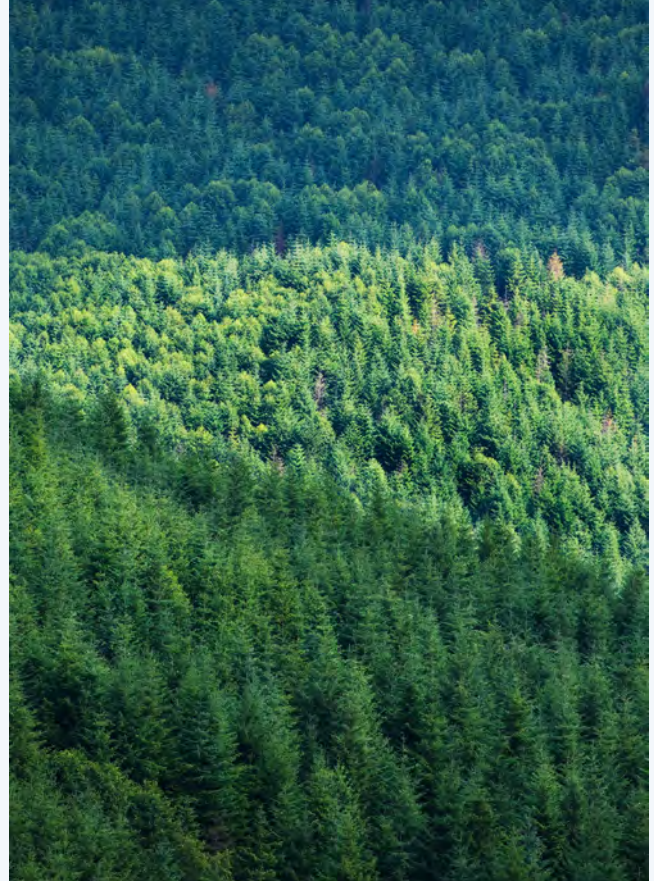


Image credit: Getty Images

WHISTLE BLOWING CHANNEL

BTG Pactual maintains a direct, safe and confidential whistleblowing channel. Whistleblower complaints are routed directly to an internal group that includes the Global Chief Compliance Officer. All external stakeholders from clients or service providers to local communities are encouraged to submit whistleblower reports via BTG Pactual's website.

The complete list of whistleblower channels are as follows:

- **Dedicated email:** OL-Whistleblowing@btgpactual.com
- **Phone line:** +55 (21) 3262-4258 and +55 (11) 3383-4258; Ext: 1277 4258
- **Web address:** <https://www.btgpactual.com/home/Contato.aspx/FormulariodeDenuncias>

Climate Action

TIG seeks to accelerate the transition to a regenerative economy through investment in natural climate solutions (NCS) at scale. NCS are actions to protect, sustainably manage and restore natural and modified ecosystems in ways that mitigate climate change while also addressing other societal challenges.

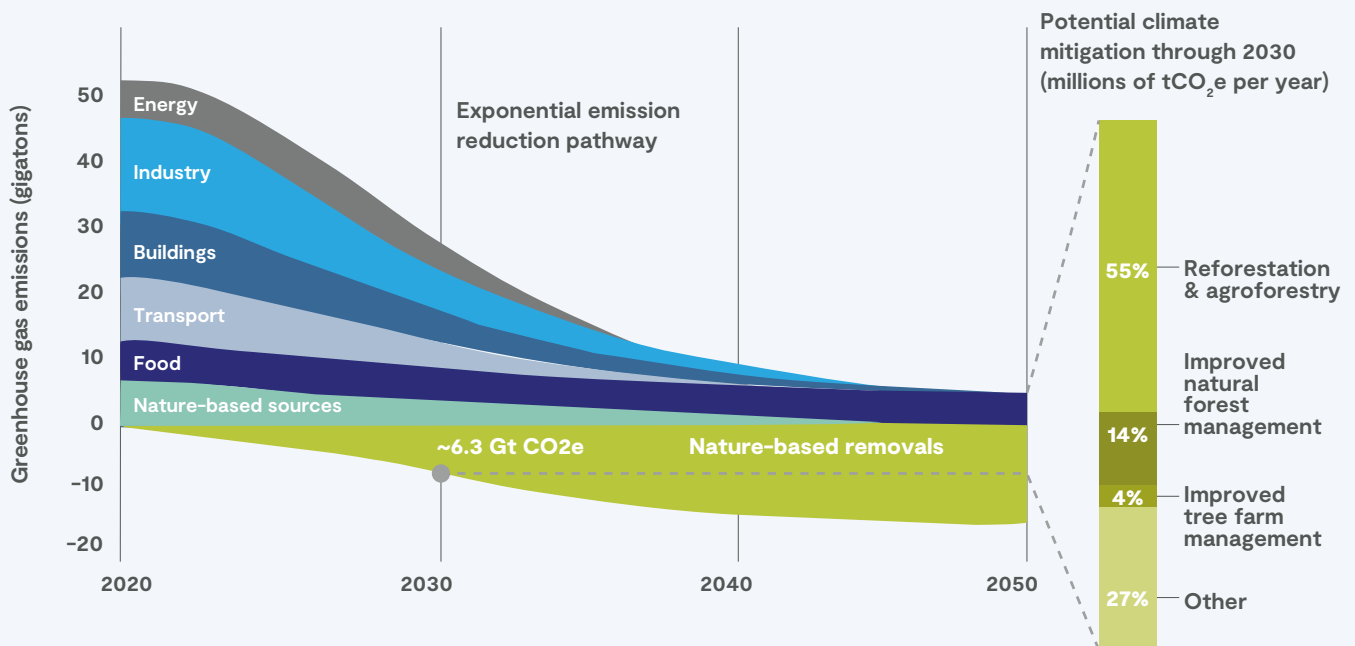


Natural climate solutions (NCS) offer significant potential to address the twin crises of biodiversity loss and climate change. It is estimated that NCS projects can deliver around a third of climate mitigation needed by 2030,¹⁷ and, unlike other carbon removal technologies, are proven and scalable today. As demonstrated in the graphic below, nature-based sinks are needed to limit global emissions from exceeding the 1.5°C threshold, even if all sectors' emissions are halved every decade until 2050. However, despite their clear potential for global emissions reductions, NCS have attracted very little public and private investment.¹⁸

Among the various NCS opportunities available, research shows that afforestation and reforestation have the largest capacity for climate mitigation when executed properly and at the appropriate scale.¹⁷ To that end, TIG has begun operationalizing a strategy launched in 2021 to target this potential through a combination of forest protection, restoration and sustainable management of working forests, with a core focus on sequestering carbon from the atmosphere and preserving biodiversity.

Growing need and efficacy of carbon removals¹⁹

Reforestation has the potential to provide up to 55% of the removals needed by 2030 for a 1.5°C pathway



TIG recognizes that the key to delivering on the full potential of climate-positive forestry is ensuring the sustainability of the forests that supply wood, focusing on the climate benefits of the end products, and insisting on the equitable inclusion of local communities in the

sustainable management of landscapes. Our investment programs seek to provide robust benefits across value chains while offering important environmental and community benefits, providing our clients with confidence in the positive climate impacts of their investments.



Image credit: Getty Images

Climate Risk Assessment

TIG assesses acquisitions for physical and environmental risks, including climate risks. Climate risk assessments help ensure that our forests are resilient in the face of a changing climate, and can thrive under current and likely future conditions. Our goal is to formalize these climate assessments and analysis for all future acquisitions.



Image credit: Getty Images

Carbon Storage

Research shows that restoration, reforestation, protection and improved management of forests represent 73% of the total NCS opportunity.¹⁷ Importantly, when forests are harvested sustainably, and the harvested wood is used in the right applications, the climate benefit of storing carbon in long-lived wood products and of displacing more carbon-intensive materials like concrete, steel or plastic can be 2-3x the benefit of the forest itself.²⁰ We believe that TIG's approach to investment across the full value chain, from tree planting and the generation of high-quality forest carbon credits, to climate-positive forest product manufacturing and end-use applications, helps to generate these multiple climate benefits.

KEY FACTS AND FIGURES



34 million
trees planted



Over **1 million**
verified carbon
units sold
in 2021

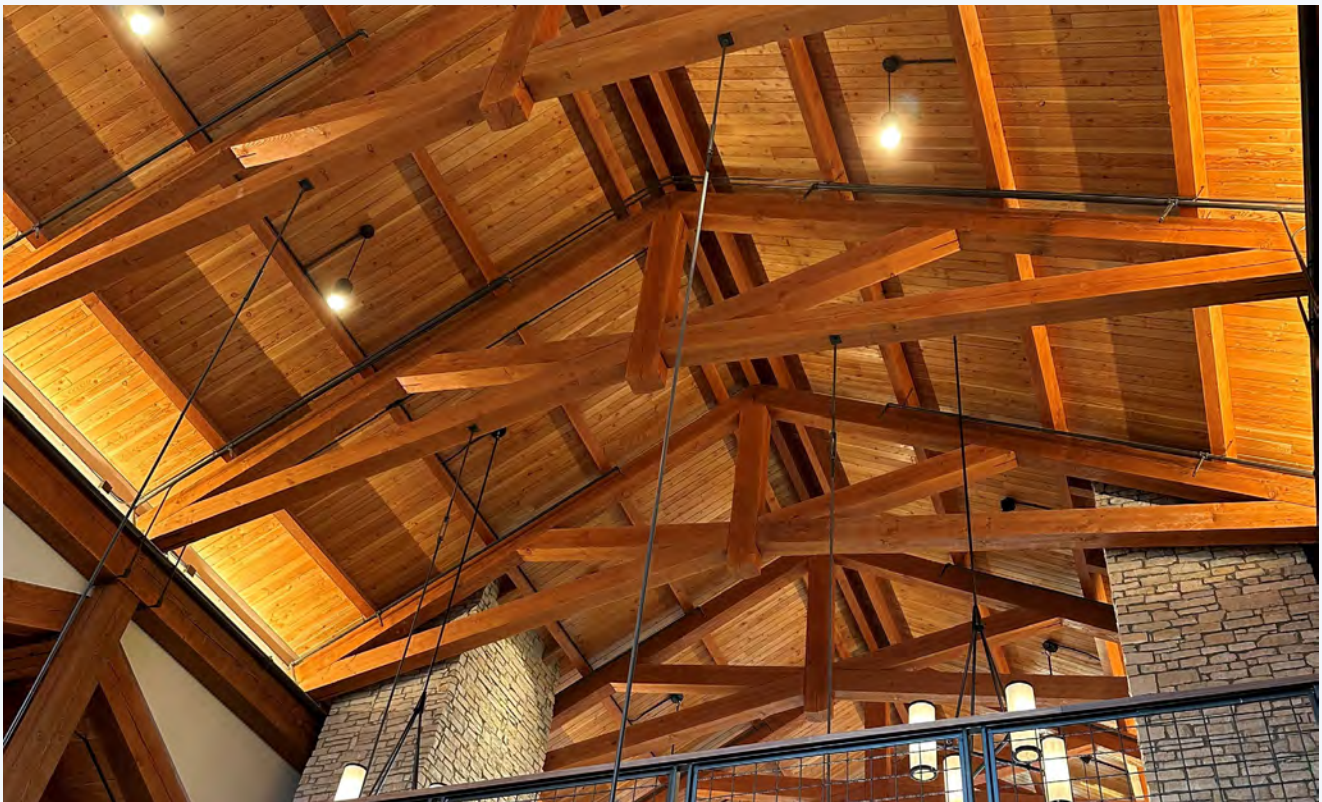


Image credit: TIG

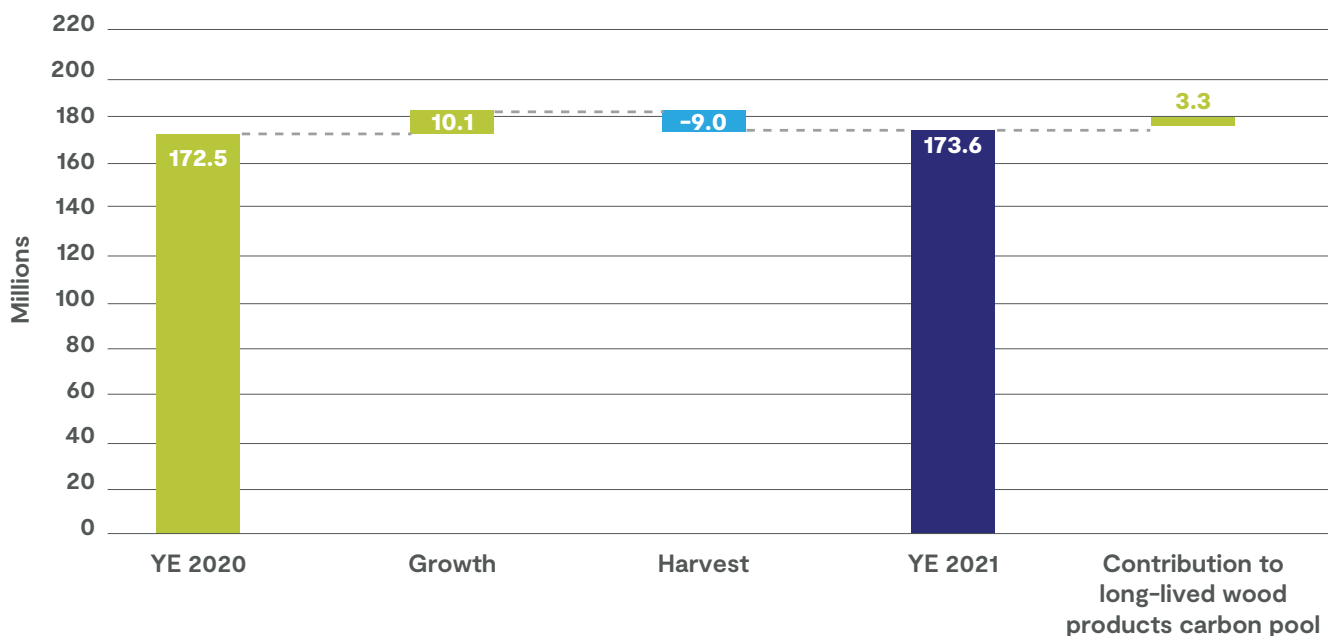
Case Study: Forest Carbon Stocks

Over the course of 2021, TIG’s global forest assets stored and sequestered more than 173 million tCO₂e out of the atmosphere. Over this period, we sustainably harvested timber for use in a wide variety of applications while increasing forest carbon stock by approximately 1 million tCO₂e and contributing more than an estimated 3.3 million tCO₂e to the long-lived wood products (LLWP) carbon pool by supplying sawntimber for eventual end-uses such as lumber, furniture and flooring.



Image credit: Getty Images

2021 Total Forest Carbon, Forest Carbon Stock Change and Harvested Wood Products (tCO₂e)⁷



GHG Emission Management

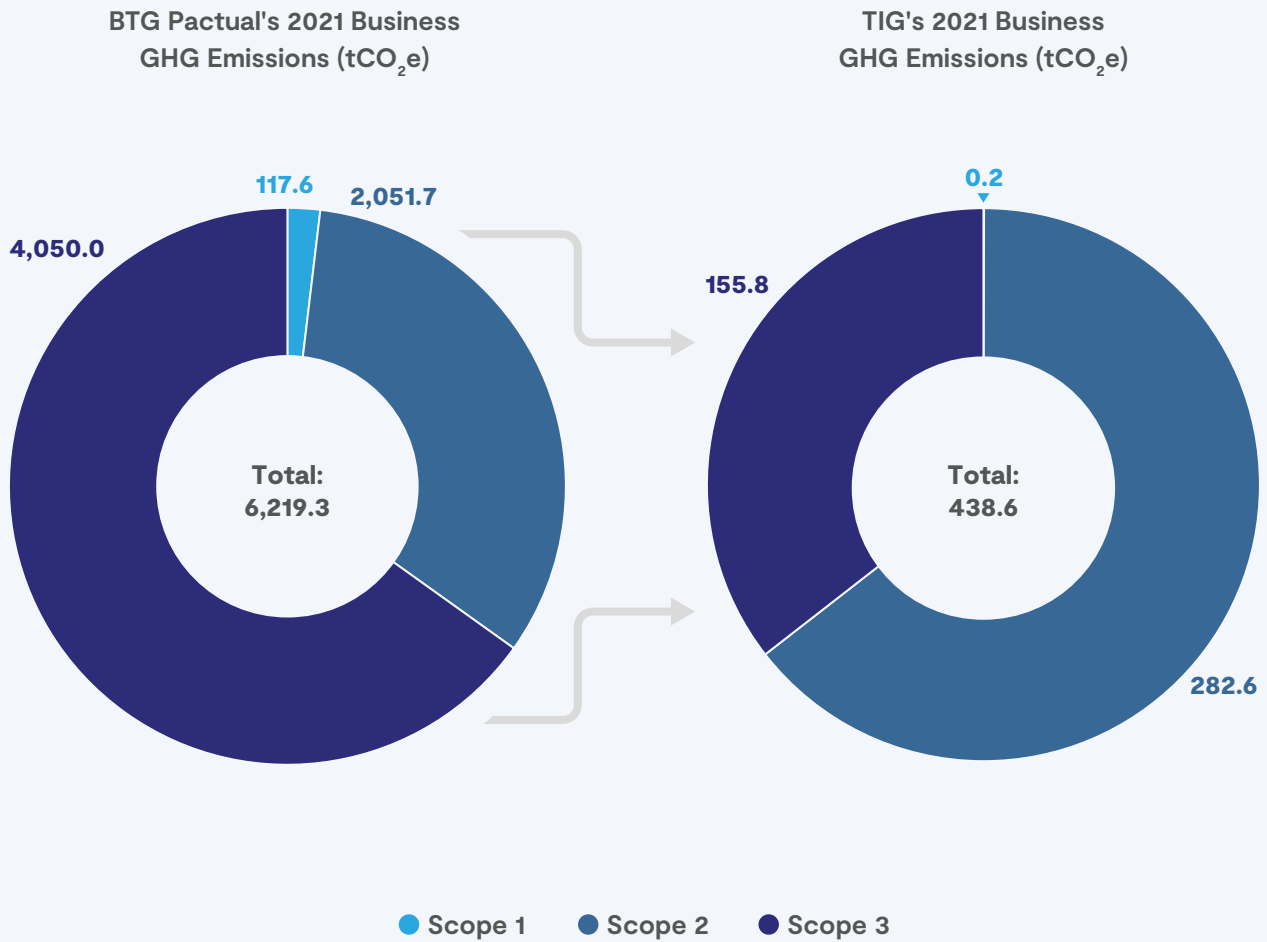
BTG Pactual measures and reports its carbon footprint at the company level. BTG Pactual's Head of ESG monitors and maintains BTG Pactual's GHG Inventory, which covers all BTG Pactual offices, including TIG. BTG Pactual's GHG inventory measures all Scope 1 and 2 emissions, and partial Scope 3 emissions. This has been monitored since 2015, with BTG Pactual offsetting Scope 1 and 2 emissions since 2017. In addition, in 2019, BTG Pactual became the first bank in Latin America to offset 100% of its Scope 1 and 2 emissions under operational control, as well as Scope 3 emissions from business travel and waste management. BTG Pactual seeks to offset emissions through the acquisition of high-quality offsets, which also offer other environmental co-benefits. In 2021, BTG Pactual offset 5.5 thousand tCO₂e by purchasing carbon credits from the Cikel Deforestation and Forest Degradation Reduction in the Brazilian Amazon Project (REDD APD) that aims to conserve the Amazon rainforest.¹⁰



Squirrel Monkey (*Saimiri*) Image credit: Getty Images

TIG and its subsidiaries estimated that Scope 1 and 2 emissions, and partial Scope 3 emissions in 2021 were 439 tCO₂e, which have been fully offset through BTG Pactual's and TIG's carbon offsetting program.

BTG Pactual's 2021 Business GHG Emissions (tCO₂e)¹⁰



Case Study: Collaboration with Conservation International²¹

Through a collaboration launched in October 2021, Conservation International will serve as an impact adviser to TIG's new impact-oriented reforestation investment strategy in Latin America. The strategic collaboration seeks to mobilize US\$ 1 billion over five years and deliver significant climate, environmental and social benefits at a large scale, alongside financial returns. The strategy aims to protect and restore hundreds of thousands of acres of natural forests in degraded landscapes across Latin America; plant hundreds of millions of trees in sustainably managed, independently certified commercial tree farms; provide tens of millions of tons of carbon benefit; and support inclusive and equitable community development.

With Conservation International's input and advice, TIG will then seek to unlock additional climate, environmental and social benefits with the goal of protecting and restoring natural forest on half the land acquired under the strategy, and establishing sustainably managed commercial tree farms on the other half. TIG will seek to certify all properties to the Forest Stewardship Council's® internationally recognized, independent, third-party sustainability standard.



Red-tailed Amazon (*Amazona brasiliensis*) Image credit: Getty Images

R&D: Sustainable Innovation and Technology

TIG believes that continued innovation in the management of forests, and the continued development of new forest-based biomaterials, are critical to the growth of our business, the growth of the forest industry, and to the emergence of the global circular bioeconomy. In 2021, TIG and its subsidiaries TTG Forestry Services, LLC (U.S.) and TTG Brasil Investimentos Florestais, LTDS (Brazil) participated in a number of cooperative research initiatives, including the Forest Productivity Cooperative (U.S.), the Forest Biometrics Research Institute (U.S.), the Forest Certification Cooperative Program (Brazil), and the Forest Protection Program (Brazil).

In 2021, the first results of a multi-year research project supported by TIG and a number of other collaborators were published in a special issue of the journal [Sustainability](#).²² Part of the five-phase research project focuses on the potential impact of mass timber, a relatively new engineered wood product, on reducing greenhouse gas emissions from the construction sector. TIG is enormously proud to contribute to this important effort, joining a range of leading experts and practitioners.

A few of the important conclusions so far:

- Mass timber reduces the embodied carbon of construction by 22-50%, depending on building type, height, local building codes, and other factors²²
- Global forest stocks are likely to be able to support even extremely high rates of mass timber adoption²³
- However, under scenarios of massive, rapid adoption, investment in reforestation and new tree farms is likely required to avoid driving up lumber prices and to maintain or increase global forest carbon stocks²³

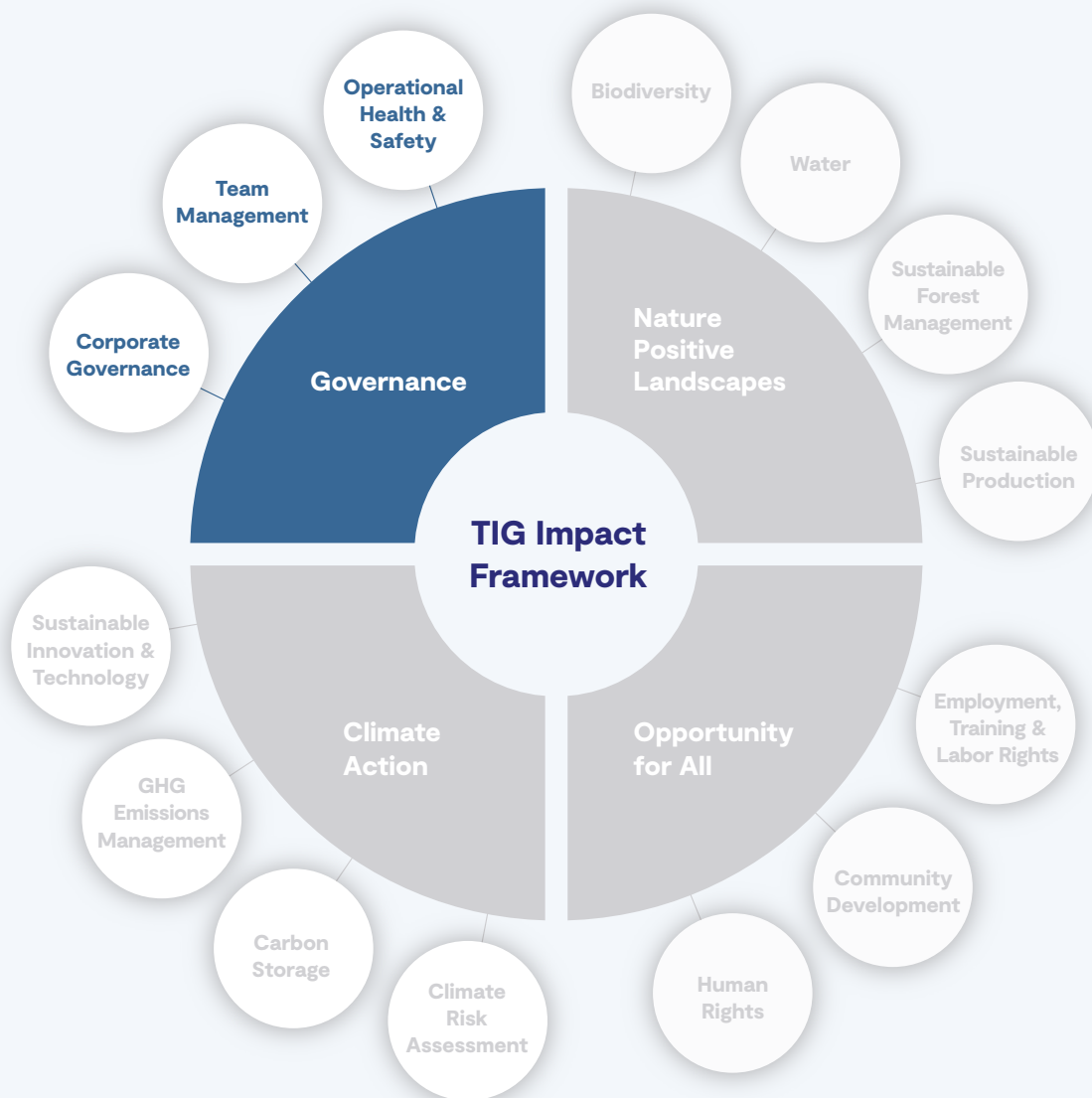


Image credit: Getty Images

Governance

TIG aims to establish robust corporate governance practices and policies, foster a diverse workforce and an equitable work environment, and uphold the highest levels of workplace safety.

TIG leverages a breadth of services provided by BTG Pactual to support our governance framework, including professionals in compliance, legal, and human resources.





Corporate Governance

TIG's corporate governance aims to apply the highest standards of professional governance and moral conduct. We leverage BTG Pactual's global and local policies, structure, and compliance mechanisms. Our corporate governance framework is a core part of our efforts to manage a well-structured, sustainable business.

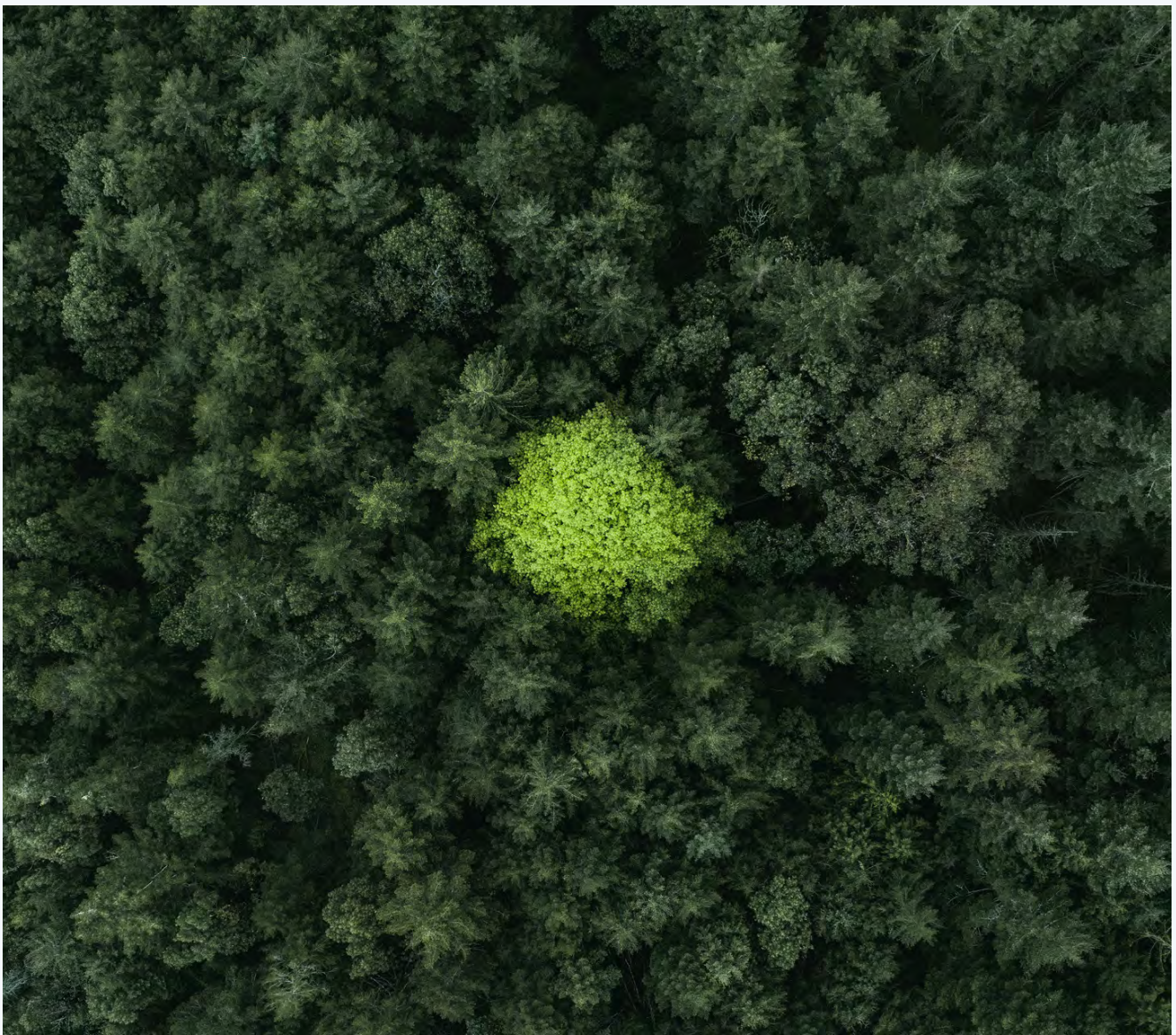


Image credit: Getty Images



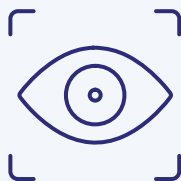
ETHICAL BUSINESS PRACTICES

- TIG follows BTG Pactual’s Code of Conduct and Ethics and Global Conflicts of Interest Policy.
- These policies include partners, employees, interns, consultants, contractors, and temporary workers (“staff” or “staff members”) when interacting with each other, with clients or with counterparties and any other third parties related to our business.
- Under Instituto Ethos, a Brazilian Civil Society Organization whose mission is to mobilize, raise awareness and help companies manage their business in a socially responsible manner, BTG Pactual signed the “Business Pact for Integrity and Against Corruption.” The pact commits BTG Pactual to undertake actions to prevent any form of bribery, to work for the rule of law and transparency in political contributions and campaigns, and to strive for transparency in information and cooperation in investigations.



ASSET RISK MANAGEMENT

- Disciplined risk management is central to TIG’s business practices, and our process has been developed over the course of 15 years of experience investing and operating assets in Latin America and 40 years of experience in the U.S.
- TIG’s approach to managing risks includes, but is not limited to: robust internal governance structures, systematic reviews of rigorous due diligence, and third party audits.
- In 2021, TIG strengthened its Environmental & Social risk management practice by establishing a formal team to manage and assess E&S risk during acquisition due diligence and continuously thereafter.



COMPLIANCE

- TIG is covered by BTG Pactual’s Global Compliance Department for all compliance matters.
- TIG adheres to all rules and regulations imposed by the relevant regulatory bodies. A Compliance Committee is in place to administer compliance policies and is accountable to the Board of Directors. The Committee is composed of two members of the Board of Directors, the General Counsel, the Global Chief of Compliance Officer and the Chief Executive Officer of BTG Pactual.



BOARD OR OPERATIONAL COMMITTEE INDEPENDENCE

- TIG retains an external, independent Investment Committee member for all active co-mingled fund vehicles.
- TIG includes one external member in the firm's Investment Strategy Group, which is charged with developing the firm's long-term view of risks and opportunities.



DATA SECURITY & PRIVACY

- TIG is included in BTG Pactual's security mechanisms, which include several intraday monitoring systems that have never sustained a security breach.
- BTG Pactual's IT team tests the Bank's defenses on a regular basis, working together with the incident response team, improving the overall robustness of our system, including early alerts and rapid response. In addition, BTG Pactual employees undertake an annual cyber security training, in addition to ad hoc trainings based on new processes or risks.



ANTI-CORRUPTION, AML, ANTI BRIBERY & KYC

- TIG is monitored according to BTG Pactual's Global Policy on Anti Money Laundering, Corruption and Countering Financing of Terrorism (AML Program). On an ongoing basis, transactions are monitored by Anti-Money Laundering systems, which highlight suspicious transactions that are reviewed and resolved by the AML team.
- With respect to third party vendors and potential customers, TIG's 'Know Your Customer' (KYC) efforts consist of background checks of potential counterparties in order to ensure that they meet TIG's standards prior to any contracts being signed. This process also utilizes BTG Pactual's global AML team, and includes a review of tax records, criminal records, anti-money laundering and anti-bribery checks, among other background checks.



Team Management

TIG believes that the firm's culture is an important competitive strength that drives our strategic focus, interpersonal collaborations, and performance management. We believe managing individual performance, promoting a diverse and high-quality team, and aligning with the business strategies and purposes are key to the overall firm's success.

TALENT DEVELOPMENT

TIG seeks to retain key talent through a combination of a meritocratic culture, competitive compensation packages, and our drive to be an innovative leader in the industry. Within TIG, every individual employee's performance is formally reviewed on an annual basis. A core component of all annual reviews is the discussion of long-term development goals, career trajectory and how that growth fits into the group's succession needs (e.g. training and preparing team members for career growth and assuming leadership positions in the future).

DIVERSITY & EQUAL OPPORTUNITIES

TIG and BTG Pactual are committed to fostering a diverse and inclusive work environment for our employees, and positive, equitable engagement with the communities in which our assets are located. These commitments are guided by the International Finance Corporation Performance Standards and are enforced through BTG's Global ESG Policy, Environmental and Social Risk Policy and Diversity Policy.

In addition to our existing policies, BTG Pactual established a formal Diversity Committee tasked with managing a range of programs designed to increase diversity, inclusion and equity across the firm. The Diversity Committee is focused on four key areas – improving the Bank's gender diversity across seniority levels, increasing LGBTQIA+ representation, promoting racial diversity, and creating employment opportunities for persons of all abilities.

CODE OF CONDUCT

TIG follows BTG Pactual's comprehensive employee code of conduct and sexual harassment policy in order to prevent, monitor, and act regarding any episode that is not in accordance with our ethics and conduct standards.



Operational Health and Safety

TIG affirms the importance of ensuring a safe and healthy workplace by placing the directive to strictly comply with environmental, social, health and safety laws, regulations and standards as the first of TIG's nine Responsible Investment Principles.

KEY FACTS AND FIGURES²⁴



0.79 Recordable Incident Rate among TIG and subsidiaries



0 Medical Treatment Injury Frequency Rate among TIG and its subsidiaries



Image credit: Getty Images

Endnotes

1. Source: TIG analysis. All metrics depicted as of December 31, 2021.
2. Source: TIG analysis. For the period of 1981 to 2012, the Experience and Track Record is mainly based on BTG Pactual's acquisition of the Regions Timberland Group from Regions Bank in 2013. In connection with this acquisition, BTG Pactual retains and has access to account statements related to the investments held prior to 2013 on which the underlying information is based. Although BTG Pactual has acquired these records, please note that these records have not been independently verified and as such BTG Pactual cannot give any assurance as to the accuracy or completeness of such information. Capital returned is inclusive of TIG's predecessor companies, RTG and TTG.
3. Includes single person and home offices - Headquarters in Atlanta, Georgia.
4. Source: TIG analysis. Figures shown represent Latin America and U.S. activities.
5. The report does not include information on TIG's downstream assets in the U.S. and assets in Europe and Africa, which represent less than 2% of TIG's AUM.
6. Primary reasons for non-certification include: recently acquired assets scheduled for certification in the near future or a client not pursuing certification due to lack of cost benefit, generally attributed to small scale tracts or impending disposition.
7. Source: BTG Pactual Timberland Investment Group as of December 31, 2021. Forest carbon stock is estimated by converting estimates of above-ground woody biomass derived from forest inventory, remote sensing, and other means to metric tons of above- and below-ground total biomass using regionally appropriate biometric models, published conversion factors, peer-reviewed research, or other means. Estimated biomass is then converted to metric tons of CO₂ equivalent (tCO₂e). Estimates do not include emissions associated with forest operations or management, and do not include carbon stock or stock change in dead biomass, soil organic carbon, leaf litter, or understory vegetation. Carbon stocks and stock change do not include consideration of the carbon stocks or emissions of processing facilities or certain investee companies. The estimated change in carbon stocks attributed to growth includes growth, inventory updates, map updates, and other adjustments. Contributions to long-lived wood products (LLWP) are calculated based on harvested commercial volumes by log assortment, including estimated recovery rates for LLWP. Only areas owned TIG and its clients for the full year are included in these calculations. The estimates shown are not actual results. Actual results may vary widely from the estimates shown. TIG has no obligation to provide updates to such estimates.
8. Source: BTG Pactual 4Q21 Results Presentation.
9. Awards and rankings are not representative of any one client's experience and are not indicative of the future performance of a BTG Pactual product or BTG Pactual. BTG Pactual did not pay a fee to participate in this award.
10. Source: BTG Pactual Annual Report 2021 and TIG analysis.
11. Source: BTG Pactual, <https://www.btgpactual.com/us/esg-and-impact-investing/esg-governance>.
12. Source: BTG Pactual and TIG analysis.
13. Source: TIG and TNC analysis.
14. Certification to the Forest Stewardship Council (FSC)@standards.
15. Source: TIG and Lumin analysis.
16. Excludes employee-related data of investee companies.
17. Sources: Griscom et al., 2017. Natural climate solutions. Proceedings of the National Academy of Sciences 114 (22) p. 11645-11650.
18. Source: State of Finance for Nature. 2021. United Nations Environment Programme. p. 5-16.
19. Source: Falk et al. 2020. Exponential Roadmap 1.5.1. Future Earth, p. 18-19. Figures reflect contribution potential for 2030.
20. Sources: Leskinen, P. et al. 2018. Substitution effects of wood-based products in climate change mitigation. From Science to Policy 7. European Forest Institute.; Puettmann et al. 2021. Comparative LCAs of Conventional and Mass Timber Buildings in Regions with Potential for Mass Timber Penetration. Sustainability.; Griscom et al., 2017. Natural climate solutions. Proceedings of the National Academy of Sciences 114 (22 p.11645-11650); TIG analysis.
21. Source: TIG and CI analysis.
22. Source: Puettmann et al. 2021. Comparative LCAs of Conventional and Mass Timber Buildings in Regions with Potential for Mass Timber Penetration. Sustainability.
23. Nepal et al. 2021. Effects on Global Forests and Wood Product Markets of Increased Demand for Mass Timber. Sustainability 13 13943. 26 pages.
24. Number of incidents which have occurred on-site within a year, according 2080 hours worked by 100 employees. Excludes contractors and temporary workers.

Disclaimer

IMPORTANT INFORMATION

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