btg pactual | Timberland Investment Group | natureVest | The Nature Conservancy

Core U.S. Timberland Strategy Sustainability Report

2025

Contents

Young pine trees on a Caddo-managed property in East Texas. © Caddo; COVER: Longleaf pine (*Pinus palustris*). © Caddo

Introduction . . . 2

2025 Highlights . . . 4

About TIG and TNC . . . 6

BTG Pactual Timberland Investment Group . . . 6

The Nature Conservancy . . . 6

About the core U.S. timberland strategy and the TIG-TNC collaboration . . . 7

Sustainability thesis . . . 8

Conservation targets . . . 9

Core U.S. timberland strategy current portfolio footprint . . . 10

2025 Sustainability outcomes . . . 11

Nature-positive landscapes . . . 12

Climate mitigation . . . 18

Opportunity for all . . . 19

Good governance . . . 22

Communicating results . . . 23

Looking ahead . . . 24

Appendix A: TIG-TNC impact management process . . . 25

Endnotes . . . 26

Introduction[1]

Northern mixedwood forest managed by TIG. © TIG and subsidiaries

In 2025, BTG Pactual Timberland Investment Group (TIG) continued to advance its core U.S. timberland strategy (the "Strategy"), demonstrating how sustainable commercial timberland management can also deliver meaningful conservation outcomes.

Central to this effort is TIG's longstanding collaboration with The Nature Conservancy (TNC), which serves as the Strategy's Conservation Advisor. The collaboration continued to leverage TIG's operational scale and management capacity with TNC's conservation science expertise to improve biodiversity, climate mitigation, and forest resilience across the Strategy's 1.2-million-acre portfolio.[2] These efforts aim to contribute to outcomes across TIG's four sustainability pillars: nature-positive landscapes, climate mitigation, opportunity for all, and good governance.

In 2025, TIG and TNC expanded biodiversity-focused forest management activities to a landscape scale, aiming to strengthen ecological outcomes while sustainably managing productive working forests. During the year, 13,067 acres of forest and 404 miles of streams were placed under improved management and 14.5 million trees were planted on more than 29,000 acres following harvesting activities.

The Strategy also advanced permanent protection efforts through two conservation sales to support biodiversity and help safeguard drinking water for 350,000 people in Washington, and enhance important aquatic habitat in Ohio.[3] These transactions, together with the evolution of the Strategy's forest management approach, are tangible examples of the benefit of collaboration between private landowners and mission-driven organizations to achieve shared objectives.

In early 2025, TIG and TNC participated in prescribed burns of loblolly pine stands during a joint site visit to Caddo Sustainable Timberlands (Caddo) in East Texas. These burns mimic natural processes, reducing competing understory vegetation and wildfire risk while restoring habitat for key species like the federally endangered Texas trailing phlox. Charlotte Kaiser, TIG Senior Advisor, and Cat Burns, TNC's Managing Director of NatureVest, later shared their insights on these topics with a broader audience through a co-authored op-ed for ImpactAlpha, contributing to the growing conversation around the role of prescribed fire in sustainable forest management.

The Strategy's approach also extends to the communities and people connected to its operations. In 2025, 535 community members benefited from the Strategy's engagement programs, while TIG also provided 36 professional training programs to employees and contracted third parties, helping to build skills and capacity across its workforce.

Throughout the year, TIG and TNC shared stories from their work together at key industry fora, reflecting a shared belief that the lessons learned from TIG's core U.S. timberland strategy can help improve management of working landscapes across the U.S. and beyond. At London Climate Action Week, TIG and TNC hosted a lunch to share practical experience executing natural capital investments across the U.S. During New York Climate Week, TIG and TNC joined a panel at the Doris Duke Foundation Treehouse for a conversation on how cross-sector collaboration is crucial for scaling natural climate solutions.

In 2025, TIG advanced its policy-related work and participated in the Nature Positive Initiative (NPI) State of Nature metrics pilot as part of the Taskforce on Nature-related Financial Disclosures (TNFD), focusing on a subset of the Strategy's portfolio. This initiative supports the testing and refinement of draft metrics to help organizations better understand, measure, and report nature-related risks and opportunities. The results of the pilot will help inform and improve the final design of the NPI metrics.

Looking ahead, TIG remains committed to the principles that guide its approach: transparency, science-based decision-making, and long-term stewardship, working in close collaboration with TNC as Conservation Advisor. This report captures what was accomplished in 2025 and outlines priorities for the year ahead. It also contributes to the broader conversation across forestry, finance, and conservation on delivering lasting outcomes.

Core U.S. Timberland Strategy Portfolio Manager and Conservation Committee

David Cassels
Head of U.S. Portfolio Management, TIG

Charlotte Kaiser
Senior Advisor, TIG

Gregory Meade
Cumberland Forest Project Director, TNC

Ekaterina Alexandrova
Senior Director, Impact Management, TNC

2025 Highlights[4]

14.5 million
trees planted on over 29,000 acres post-harvest

100%
of eligible land area SFI certified

277,500 acres
under special management designation[5]

3.5 million m³
harvested timber certified

Nearly 600,000 tCO_2e
contributed to long-lived wood products pool

102.2 million tCO_2e
stored in the Strategy's forests as of the end of 2025[6]

36
professional training programs provided to employees and contracted third parties[7]

1,212 acres
permanently protected

535
community members benefited through community programs[7]

25
community organizations supported

404 miles
of streams under improved management

13,067 acres
under improved management

Awards[8]

ImpactAssets 50 2025

IA 50®
2025
MANAGER

Environmental Finance Sustainable Investment Awards 2025 – Real Assets Manager of the Year

Environmental Finance
Sustainable Investment Awards
2025 Winner
Real assets manager of the year

Agri Investor Awards 2024 (awarded March 2025)

Agri Investor AWARDS 2024
Fund Manager of the Year: Global

Agri Investor AWARDS 2024
Fund Manager of the Year: Americas

Agri Investor AWARDS 2024
Timberland Fund Manager of the Year: Global

Agri Investor AWARDS 2024
Timberland Fund Manager of the Year: Americas

THIS PAGE: Pine forest managed by Caddo. © Caddo; PREVIOUS PAGE: U.S. South forest managed by TIG. © Caddo

Disclaimer: Awards may not be representative of any one client's experience and are not indicative of the future performance of the BTG Pactual Timberland Investment Group, LLC or BTG Pactual. Please see Endnotes for important information regarding these awards.

About TIG and TNC

Pitcher plants (*Sarracenia*) on a Caddo-managed property in East Texas. © Caddo

BTG Pactual Timberland Investment Group

The BTG Pactual Timberland Investment Group (TIG), a division of BTG Pactual Global Alternatives, is one of the world's largest timberland investment management organizations. TIG manages assets and commitments of US$ 8.5 billion across more than 3.4 million acres.[9] 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 nearly US$ 41 billion.[9] 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 approximately 160 professional staff and an on-the-ground presence through 23 offices across the Americas.[10] This structure aims to bring local, regional, and global experience to bear on the careful management of our clients' investments.

The Nature Conservancy

The Nature Conservancy is a global conservation organization dedicated to conserving the lands and waters on which all life depends. Guided by science, we create innovative, on-the-ground solutions to our world's toughest challenges so that nature and people can thrive together. We are tackling climate change, conserving lands, waters and oceans at an unprecedented scale, providing food and water sustainably and helping make cities more resilient. The Nature Conservancy is working to make a lasting difference around the world in 83 countries and territories (39 by direct conservation impact and 44 through partners) through a collaborative approach that engages local communities, governments, the private sector, and other partners. For more news, visit our newsroom or follow The Nature Conservancy on LinkedIn.

About the core U.S. timberland strategy and the TIG-TNC collaboration

Pacific Northwest forest managed by TIG. © TIG and subsidiaries

TIG's core U.S. timberland strategy (the "Strategy") spans a diversified portfolio of nearly 1.2 million acres across 11 states in three target regions: the Pacific Northwest, the U.S. South, and the Central and Northern Hardwood regions.[2,11] Since its launch in 2016, the Strategy has incorporated sustainable forest management practices aligned with regulatory requirements, the Sustainable Forestry Initiative (SFI) certification standard, and industry best practices, aiming to support the long-term health, productivity, and resilience of working forests.

The Strategy is overseen by an investment committee comprised of four senior TIG staff and one independent member, bringing together expertise across finance, economics, risk management, impact, and forestry.

The TIG–TNC collaboration, launched in 2021, leverages the scale of the Strategy and the complementary expertise of both organizations to deliver biodiversity, climate, and community benefits at scale alongside potential financial returns through sustainable forest management practices.

TIG and TNC have jointly developed a robust process for identifying and delivering impact opportunities. The collaboration is governed by a TNC-chaired Conservation Committee, which oversees impact target setting and provides strategic guidance to maximize progress toward those targets. Impact is integrated throughout the investment process and is supported by a suite of tools designed by TNC scientists to assess benefits and avoid adverse outcomes. Please see Appendix A for additional information on this process.

INVESTMENT COMMITTEE MEMBERS				
Timberland Investment Group				Duke University
Gerrity Lansing Managing Director and Partner, BTG Pactual and Head, TIG	**Mitchell Kosches** Associate Partner, BTG Pactual, Chief Operating Officer and Head of Investment Management, TIG	**David Cassels** Head of U.S. Portfolio Management, TIG	**Charlotte Kaiser** Senior Advisor, TIG	**Richard Mei** Professor of the Practice & Director of Natural Resources Finance Initiative, Nicholas School of the Environment

Sustainability thesis

The TIG–TNC collaboration supports TIG's broader sustainability approach by advancing outcomes across its four pillars: nature-positive landscapes, climate mitigation, opportunity for all, and good governance. Within the core U.S. timberland strategy, this work seeks to demonstrate that sustainably managed commercial timberland can support financial performance alongside environmental stewardship, biodiversity conservation, thriving communities, and climate mitigation.

Most U.S. forestland is privately owned, with nearly 60% held by individuals, families, corporations, and other non-governmental entities.[12] Therefore, large-scale forest conservation in the U.S. requires that private landowners take action. By demonstrating that the Strategy can deliver both conservation benefits and economic value, TIG and TNC hope that innovations developed within the Strategy's 1.2 million-acre portfolio can be scaled across millions of additional timberland acres in the U.S.[2]

Harvested logs on a TIG-managed property in the Pacific Northwest. © TIG and subsidiaries

TIG Sustainability Pillars	Strategy's Goals
NATURE-POSITIVE LANDSCAPES	Supporting and enhancing biodiversity within priority areas of the Strategy's portfolio through sustainable forest management Permanently protecting ecologically valuable forest habitat
CLIMATE MITIGATION	Mitigating climate change through natural climate solutions
OPPORTUNITY FOR ALL	Providing access for people to natural areas, building environmental awareness, and contributing to local economies
GOOD GOVERNANCE	Applying structured governance processes, alongside a TNC-chaired Conservation Committee overseeing impact target-setting

Conservation targets

Together, TIG and TNC have developed conservation targets grounded in the opportunities for impact within the existing Strategy. Targets are region-specific and reflect the unique ecological, social, and economic contexts of the different geographies in which the Strategy invests. Informed by regional assessments of risk and opportunity, these targets are designed to be comprehensive, contextually relevant, and actionable.

These regional targets serve as the foundation for establishing the Strategy's portfolio-wide conservation goals and are expected to evolve over time to reflect new opportunities, strategy developments, and scientific insights.[13]

Targets of the TIG-TNC collaboration include:

75,000 acres of forest permanently protected

42,000 acres of forest actively managed to enhance biodiversity

130 miles of streams with enhanced water quality and aquatic biodiversity

At least **500,000 tCO_2e** of additional carbon sequestered[14]

Caddo-managed forest in East Texas. © Caddo

Core U.S. timberland strategy portfolio footprint

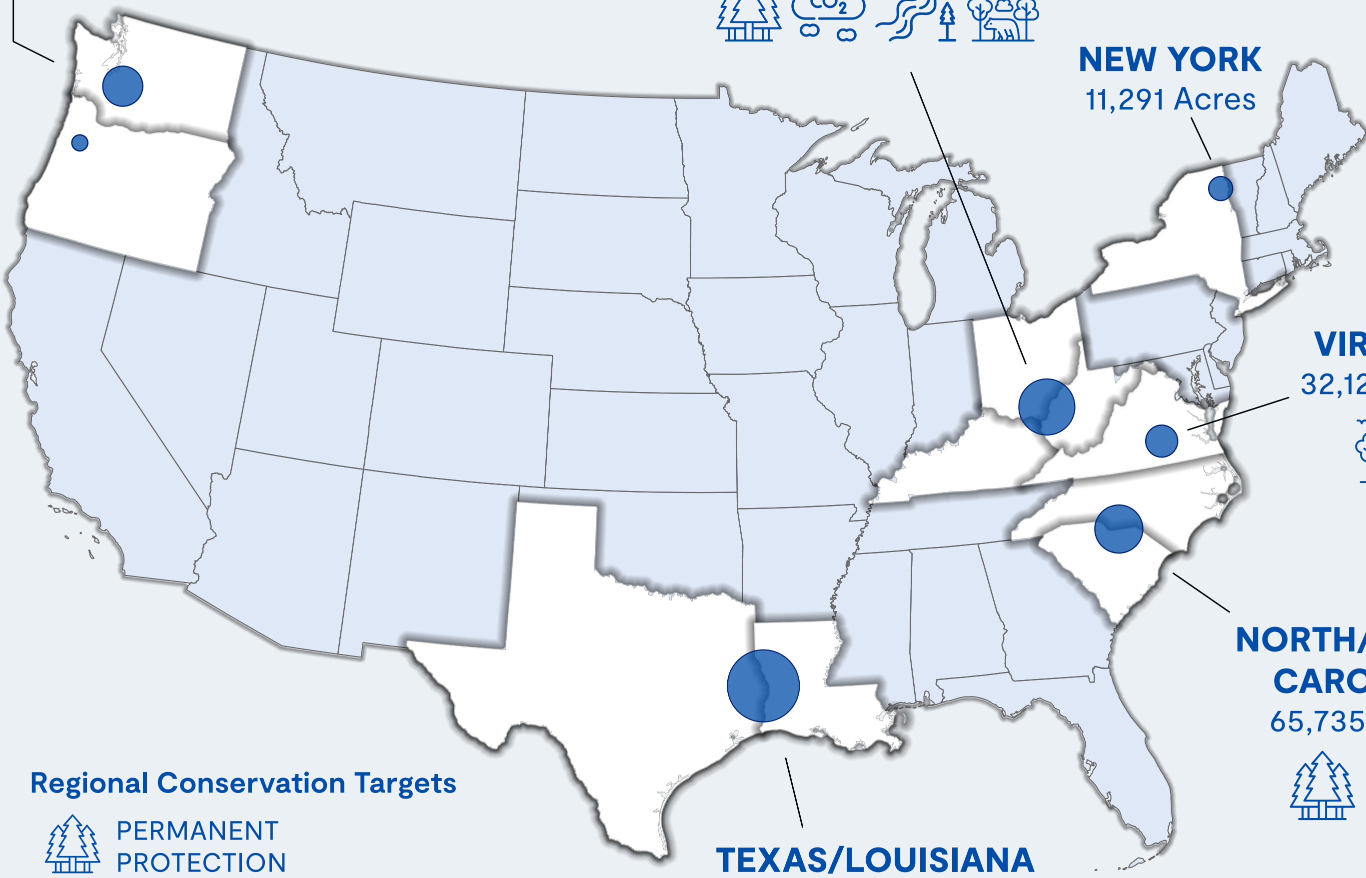
WASHINGTON
33,793 Acres

OREGON*
4,037 Acres[15]

OHIO/KENTUCKY WEST VIRGINIA
143,938 Acres

NEW YORK
11,291 Acres

VIRGINIA
32,123 Acres



NORTH/SOUTH CAROLINA
65,735 Acres

TEXAS/LOUISIANA
889,309 Acres[16]

Regional Conservation Targets

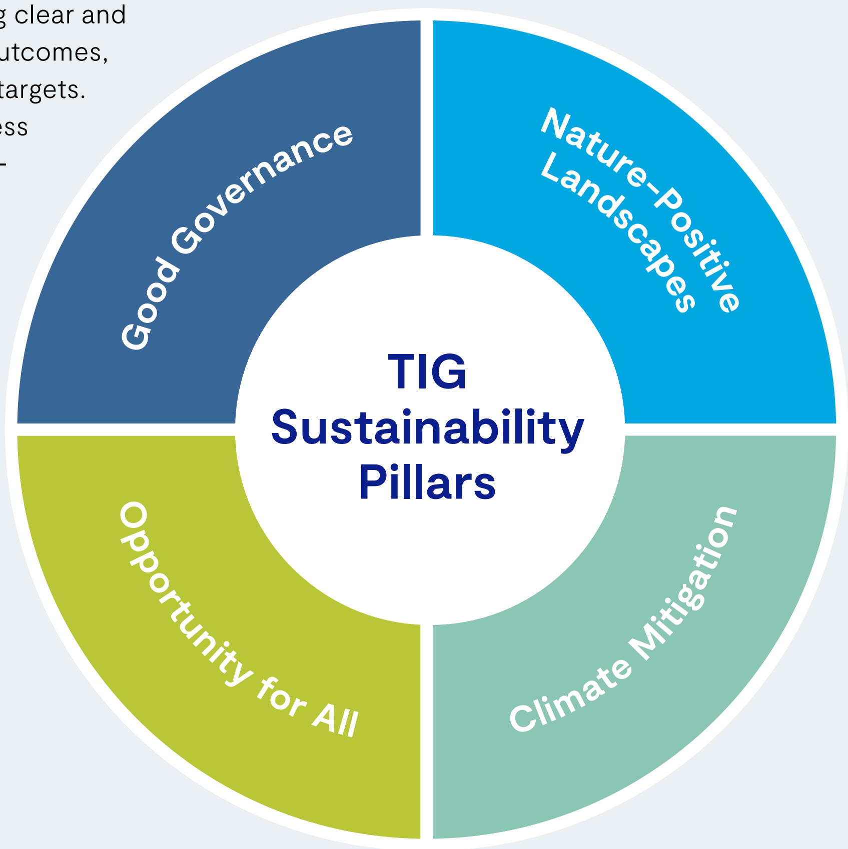
- PERMANENT PROTECTION
- WATER QUALITY & RIVER HEALTH
- FOREST MANAGEMENT FOR BIODIVERSITY ENHANCEMENT
- CARBON PROJECT OPPORTUNITIES

**TNC does not provide any of the services described herein on current assets in Oregon.*

2025 Sustainability outcomes[4]

Loblolly pine (*Pinus taeda*). © Caddo

TIG and TNC are committed to providing clear and transparent reporting on sustainability outcomes, including progress toward conservation targets. This section presents measurable progress across TIG's sustainability pillars: nature-positive landscapes, climate mitigation, opportunity for all, and good governance. The results seek to demonstrate that sustainable forest management can maintain or enhance economic value while also contributing to biodiversity, conservation objectives, and community wellbeing.



Nature-positive landscapes

TIG supports healthy ecosystems by safeguarding biodiverse habitats, protecting endangered species, and fostering long-term ecosystem resilience. Grounded in internationally recognized sustainable forest management practices, the Strategy's portfolio is aligned with the Programme for the Endorsement of Forest Certification (PEFC) and certified under the Sustainable Forestry Initiative's (SFI) North American Forest Management Standard.

KEY HIGHLIGHTS[4]

100%
of eligible land area SFI certified

3.5 million cubic meters
of harvested timber certified

277,500 acres
under special management designation[5]

Together, TIG and TNC work to enhance nature-positive landscapes through two approaches:

1. **Permanent protection of ecologically significant lands.** Permanent protection ensures that ecosystem services endure without the risk of future conversion to other land uses. Benefits include biodiversity protection, watershed protection, climate regulation, and protection of cultural values.
2. **Forest management that enhances biodiversity.** Silvicultural actions that exceed legal or certification requirements can create additional benefits for biodiversity, watershed health, and other important values. These activities are regionally specific and informed by TIG's management expertise and TNC's conservation science.

Nature-positive landscapes outcomes[4]

Land permanently protected	Land with improved management	Streams with improved management
Total area dedicated to long-term protection of terrestrial and aquatic ecosystems	Total area of forest managed to enhance biodiversity	Total length of perennial, intermittent, and ephemeral streams managed to improve water quality and aquatic conditions
1,212 acres 2025 Results	**13,067 acres** 2025 Results	**404 miles** 2025 Results
1,899 acres Since-Inception Results[17]	**21,959 acres** Since-Inception Results	**458 miles** Since-Inception Results

Permanent protection[4]

Permanent protection supports biodiversity and ecosystem health by legally safeguarding ecologically significant lands in perpetuity. In addition to conserving biodiversity, protected forests can store carbon, safeguard freshwater, and provide recreational opportunities and other important cultural values for communities. In 2025, TIG completed three conservation sales, two of which aim to permanently protect freshwater sources — 579 acres in Washington State's Green River watershed and 575 acres in the headwater tributaries of Ohio's Salt Creek.

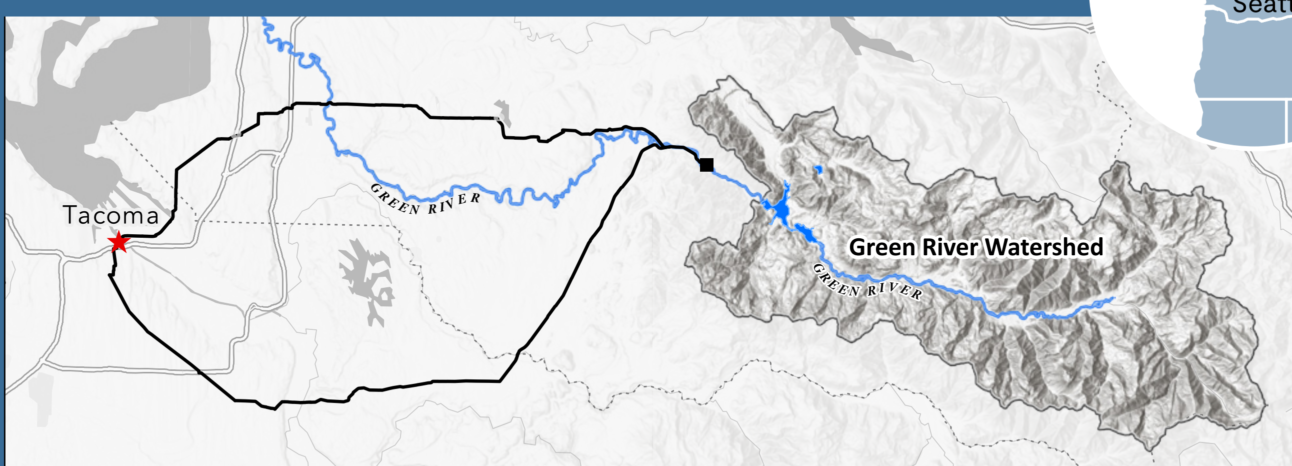
Case Study: Protecting the source – a conservation sale to benefit water supply

The Green River Watershed in Washington State spans 490 square miles of forest and 2,000 miles of riparian ecosystems.[18] Every day, this watershed plays a critical role in supplying up to 150 million gallons of municipal water downstream to more than 350,000 residents.[3]

Municipal water supplies that are sourced from rivers can be vulnerable to upstream disruptions. If the forest in the upper watershed is cleared or converted to other land uses, the natural filtration system that forests provide can break down. Without the dense root network of trees to stabilize slopes and absorb rainfall, erosion can accelerate, triggering sedimentation into waterways and forcing downstream treatment facilities to run at higher costs to filter out mud and debris.

The long-term solution for water security is not simply increasing the treatment capacity; it is ensuring healthy forests continue to protect upper watersheds and keep water clean at the source. In support of this goal, the Strategy executed a conservation sale in 2025 to Tacoma Public Utilities comprising 579 acres in the heart of the Green River Watershed. Permanently protecting vibrant forests on these strategically located lands means they can naturally filter and help protect the local water supply for years to come.

Additionally, the Green River watershed supports multiple threatened salmon species. As a result, this project, and the clean water it supports, will also benefit salmon populations in a crucial ecosystem for salmon recovery in Washington State.



Location of Green River Watershed in relation to the City of Tacoma. Black lines indicate where the water is diverted to be delivered to the Tacoma Public Utilities.

Supporting and enhancing biodiversity[4]

The Strategy's forest management approach seeks to integrate actions that benefit biodiversity into forest operations and management plans. Since each region of the Strategy's portfolio has different forest types and local regulations, TIG and TNC work together to prioritize regionally specific activities that support biodiversity enhancement.

In the initial years of the collaboration, forest management practices were implemented primarily on a site-by-site basis, determined by harvest schedules and localized operational plans. While this targeted approach allowed flexibility, it lacked a mechanism for broader landscape-level impact. Beginning in 2025, forest management shifted to the application of standardized practices across entire properties.

In 2025, TIG implemented a streamside management protocol across all Strategy properties in Ohio and West Virginia. While state regulations require measures to protect waterways during timber harvest, TIG and TNC introduced additional voluntary practices, including designating streamside buffers as Streamside Management Zones (SMZs) and increasing retention of mature trees. The initiative resulted in 7,525 acres of newly designated SMZs and improved management across 404 miles of streams, supporting water quality and aquatic habitat.

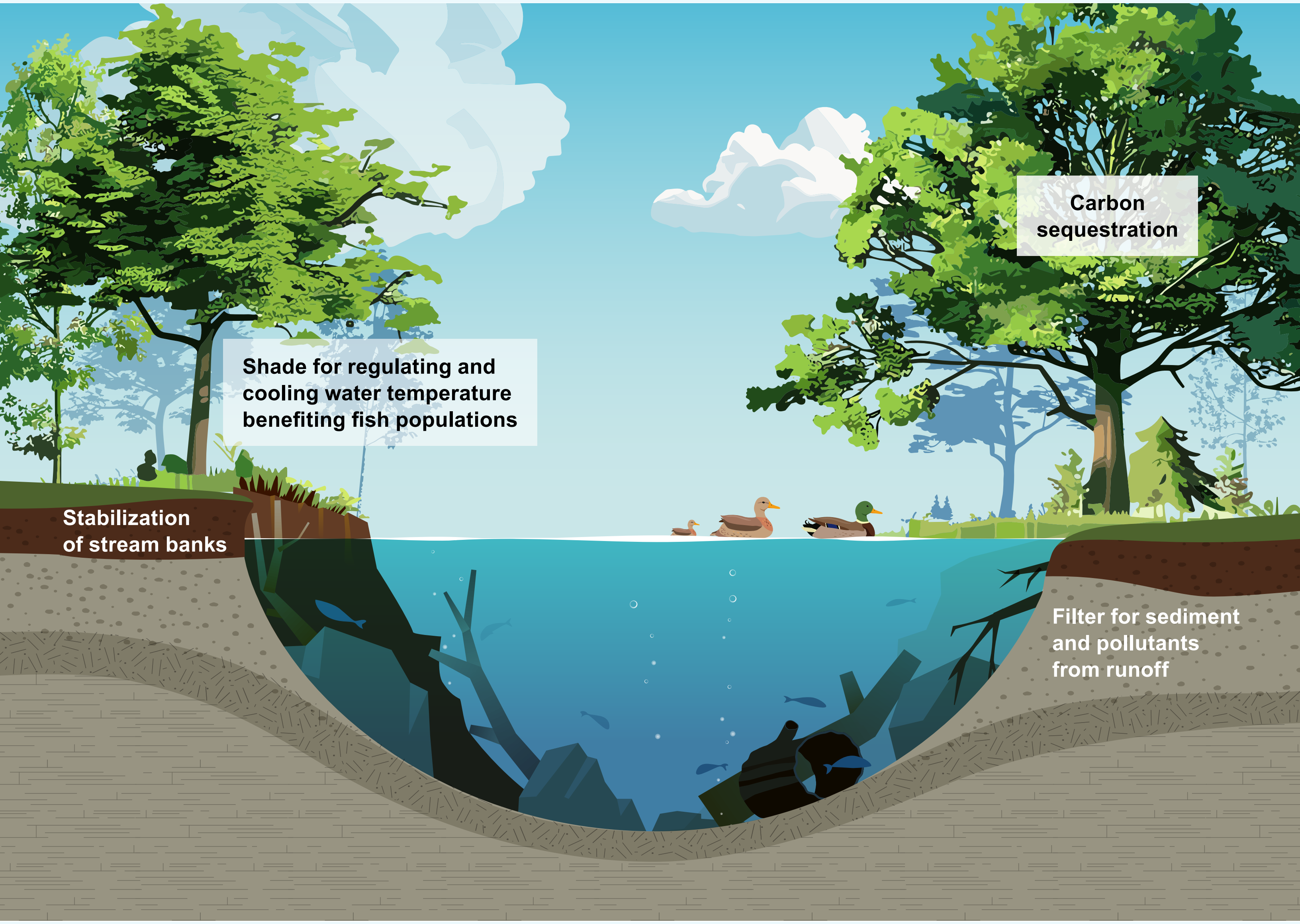
Eastern Redbud (*Cercis canadensis*). © Caddo

Summary of forest management practices currently implemented to support and enhance biodiversity

- Enhancing habitat value of commercial tree farms by varying tree density and spacing during thinning operations, and by varying species composition through targeted planting of ecologically important species like Longleaf pine
- Enhancing forest health and resilience by using prescribed fire to manage unwanted and invasive species and restore natural habitat
- Safeguarding aquatic ecosystems by maintaining forest cover along streams and improving stream crossings to keep water clean

Forested streamside buffers[4]

Streamside buffers, or riparian buffers, are areas of vegetation that are left along rivers and streams during timber harvesting to protect aquatic ecosystems. Streamside vegetation stabilizes the riverbanks and filters sediment from surface runoff before it reaches waterways. These buffers also provide shade, which helps to regulate stream temperatures to support the survival of cold-water species such as salmon and trout. Forested buffers also contribute to the physical structure of streams by adding woody debris and organic material. Finally, these forested zones function as vital wildlife habitat while also sequestering and storing carbon.

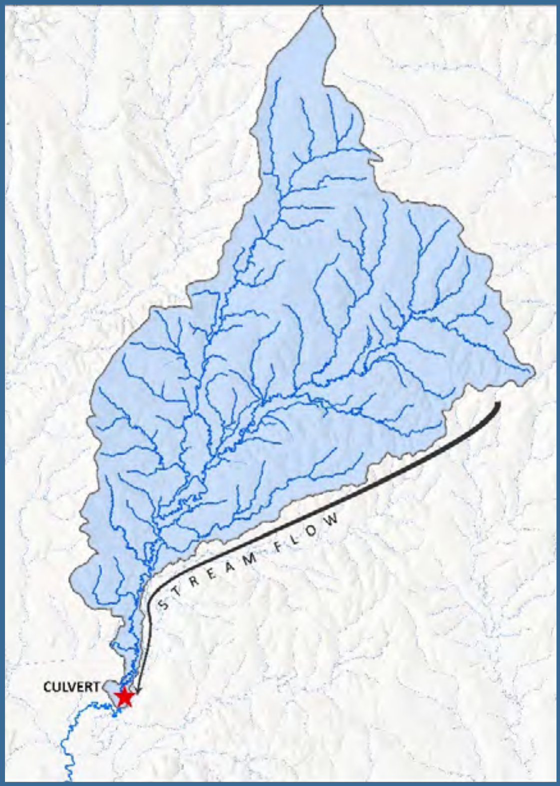


Safeguarding forested streamside buffers is just one approach to water quality enhancement. In the Pacific Northwest, Texas, and Louisiana, TIG and TNC are systematically mapping roads and stream crossings to prioritize infrastructure upgrades that improve resilience, reduce risk of infrastructure damage from storms and floods, and also provide ecological benefits.

Case Study: The role of culverts in watershed protection[4]

For forest managers in North America, adapting to climate change often means preparing for more frequent and intense rainfall events and subsequent risk of flooding. Some of the most valuable — and vulnerable — assets of a working forest are the networks of roads that provide access not only for silvicultural activities, but also for fire management, recreation and other purposes. These roads frequently cross rivers and streams, and with altered rainfall and streamflow patterns the design of these crossings — often culverts — may no longer be effective in maintaining water flow and aquatic connectivity.

Culverts are tunnels or conduits that allow streams to flow under roads, keeping waterways flowing freely for fish and other wildlife. However, undersized or poorly maintained culverts are unable to handle increased water flow during heavy rains, increasing the risk of road washouts. This could lead to disruptions to site access and sediment pollution. A single culvert can act as a critical bottleneck where hundreds of miles of upstream networks converge. Therefore, resilient road networks and river systems benefit from carefully designed and maintained stream-crossing infrastructure.

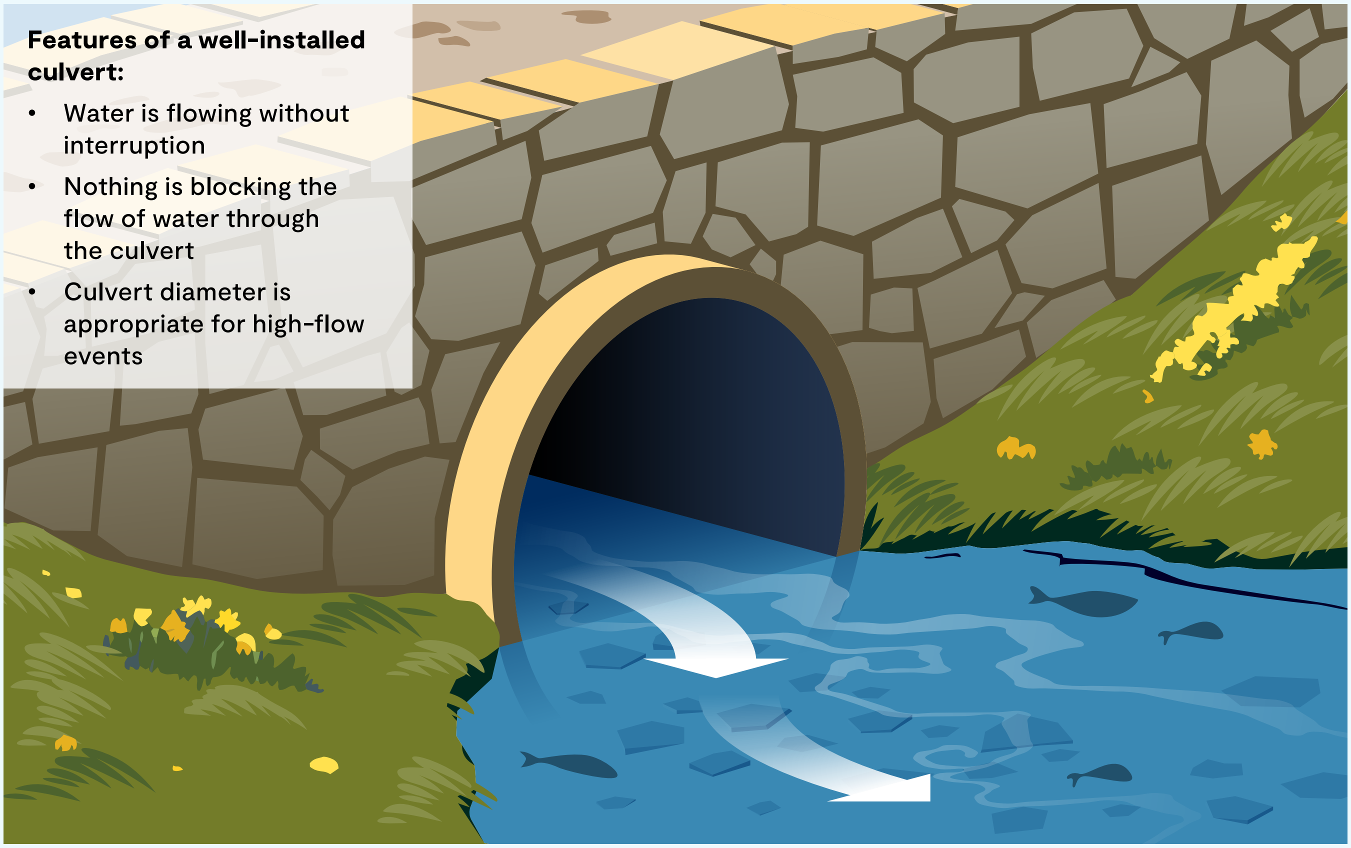


A single culvert often serves as the point of convergence for an entire watershed. The map above shows 100 miles of streams draining 14,000 acres in Texas that eventually flow through one culvert.

TIG and TNC are implementing a systematic, phased approach to assess, maintain, and, where appropriate, upgrade this infrastructure. Initial efforts focused on mapping road networks and assessing the condition of stream crossings. Building on this foundation, infrastructure improvements across Caddo began in early 2025 as priority sites were identified using predictive modeling. By analyzing stream depth, flow rates, and localized rainfall projections, the model forecasts how future storms could impact water movement and determines the optimal culvert size for each site. Upgrades are prioritized at crossings located within high-biodiversity areas and where timber harvests are planned. These culvert upgrades, coupled with other actions including decommissioning high-risk or unnecessary roads, can reduce sediment input into waterways and reconnect miles of aquatic habitat. By the end of 2025, 1,712 crossings had been assessed across Caddo, approximately 35% of all identified crossings. In 2026, this effort will continue at Caddo and a similar assessment will be launched in the Pacific Northwest.

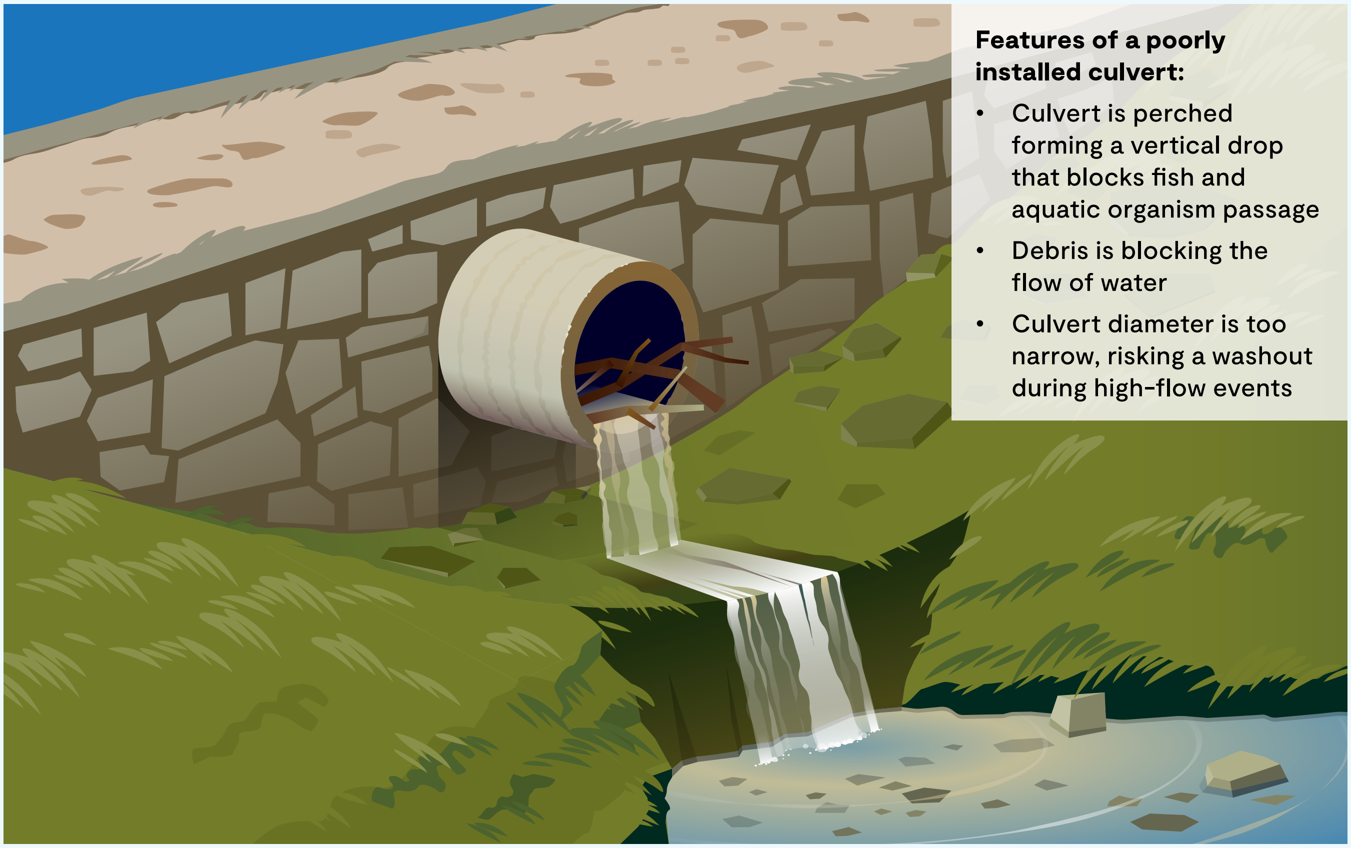
Features of a well-installed culvert:

- Water is flowing without interruption
- Nothing is blocking the flow of water through the culvert
- Culvert diameter is appropriate for high-flow events



Features of a poorly installed culvert:

- Culvert is perched forming a vertical drop that blocks fish and aquatic organism passage
- Debris is blocking the flow of water
- Culvert diameter is too narrow, risking a washout during high-flow events



Climate mitigation

Research shows that protection and restoration of forests could account for more than two-thirds of the cost-effective natural climate solutions needed to limit global warming to below 2°C.[19] Furthermore, when forests are sustainably managed, harvested, and replanted — and when forest products are used in climate-positive applications — the climate value of forests extends beyond standing timber.[20] Healthy, well-managed forests are also more resilient to climate-related stressors, including drought, pest pressure, and wildfire, making climate resilience an increasingly important dimension of TIG's management approach.

KEY HIGHLIGHTS[1]

102.2 million tCO_2e
stored in the Strategy's forests as of the end of 2025[6]

Nearly 600,000 tCO_2e
contributed to long-lived wood products pool[6]

14.5 million trees
planted on over 29,000 acres post-harvest

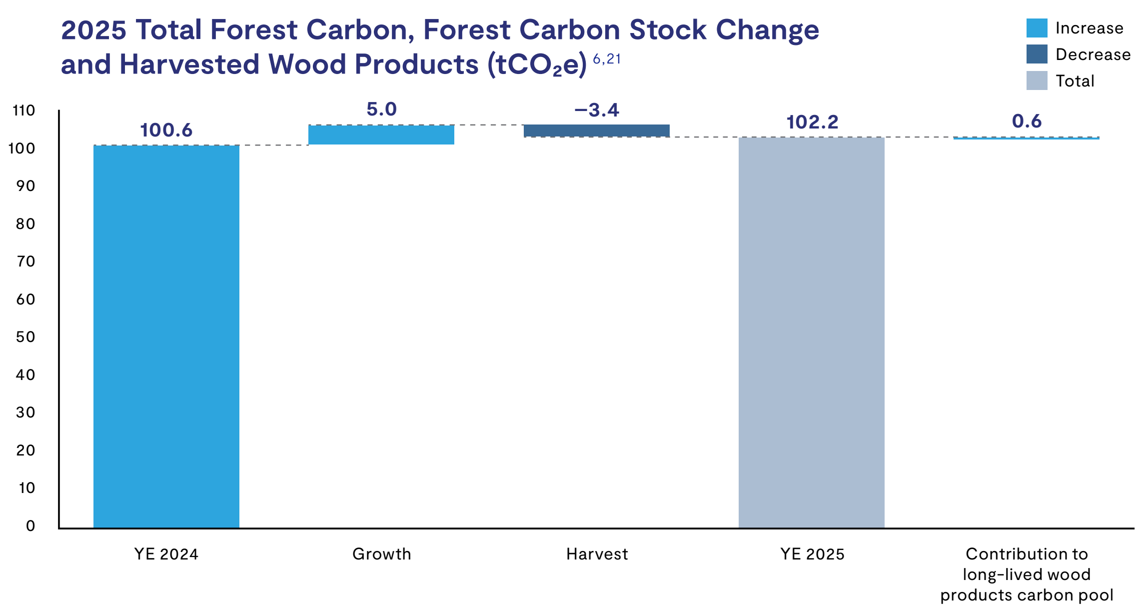
The TIG-TNC collaboration works to increase carbon sequestration across TIG's managed acres through sustainable forest management, including through the identification of opportunities for carbon projects.

Maintaining carbon stocks

Forests play a critical role in mitigating climate change by sequestering and storing carbon dioxide. TIG's management approach is designed to maintain stable forest carbon stocks by balancing harvesting with replanting and natural regeneration. In line with best practices and third-party certification standards, 100% of harvested areas are either replanted or allowed to regenerate naturally.

As of the end of 2025, TIG's core U.S. timberland portfolio is storing 102.2 million metric tons of carbon dioxide equivalent (tCO_2e).[6] Timber harvested in 2025 contributed nearly 600,000 tCO_2e to the long-lived wood products (LLWP) carbon pool.

2025 Total Forest Carbon, Forest Carbon Stock Change and Harvested Wood Products (tCO_2e) [6,21]



Opportunity for all

Across TIG's core U.S. timberland strategy, the collaboration aims to build strong relationships and generate positive, lasting social outcomes for the people and communities connected to its managed forests. TIG is advancing these efforts in four key areas: **contributing to local economies** through job creation; **promoting fair employment** by providing ongoing support and continuing education to employees; **increasing public access to natural areas** through environmental education and recreational initiatives; and **enhancing community well-being** through direct contributions, collaboration, and in-kind support to local organizations.

KEY HIGHLIGHTS[1]

105 people
employed by TIG and its operational subsidiary, TTG FS[22]

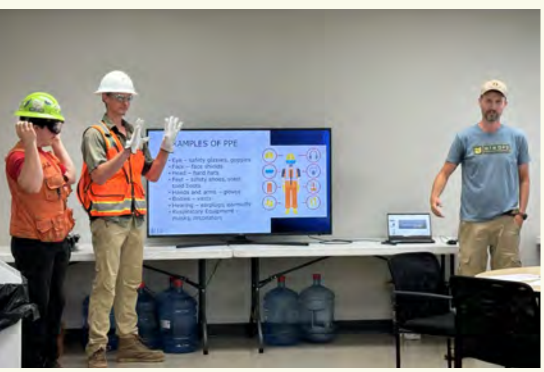
70 people
employed by Caddo, TIG's platform company, and Noble Mountain Tree Farm, a portfolio investment

190 external businesses
contracted

480 full-time equivalent
(FTE) jobs supported

Contributing to local economies[1]

TIG plays an active role in supporting local economies in the regions in which it operates, both through direct employment and engagement of a broad network of local businesses, associations, and organizations. By prioritizing local hiring, TIG aims to support regional economic development, enhance local expertise, and strengthen community relationships.



TOP: A local burn crew delivers a safety talk before conducting a prescribed burn on a Caddo-managed forest in East Texas. © TIG and subsidiaries; BOTTOM: Caddo PPE safety training session. © Caddo

Fair employment[1]

TIG is committed to providing a workplace where all individuals have equitable access to opportunities for growth, development, and advancement. Through ongoing investment in training and professional development, TIG aims to support local workforce development, strengthen regional capacity, and equip employees with the knowledge and resources to act responsibly and sustainably.

Understanding that a safe work environment is essential not only to the well-being of employees, but also to operational success, TIG places significant emphasis on workplace safety. In 2025, all employees completed occupational health and safety training, reinforcing TIG's commitment to employee well-being and operational excellence. Training sessions covered key topics including driver safety, first aid, fire response, use of personal protective equipment (PPE), safe vehicle operation, hazard identification and reporting, and other core safety competencies relevant to forestry operations and field supervision.

KEY HIGHLIGHTS[1]

36 training programs
covering **1,280** hours, provided to over **350** employees and contracted third parties[23]

Recordable incident rate:[24]
TIG and TTG FS: **1.9**[25]
Caddo: **0**

Public access to natural areas[1]

TIG is committed to creating inclusive opportunities for communities to engage with working forests through environmental education, recreation, and research. In 2025, this included more than 30 initiatives designed to build awareness of sustainable forest management and increase public access to TIG-managed forests.

EDUCATION

In 2025, TIG supported eight hands-on education and community engagement initiatives across its U.S. operations that reached more than 300 individuals. At Caddo, the team hosted students from Stephen F. Austin State University for field-based learning sessions focused on forest hydrology and ecology, providing direct exposure to watershed processes and forest management practices. In addition, Caddo facilitated field tours and technical training sessions, including a program for Texas Forestry Association (TFA) emerging leaders, which offered practical insights into silviculture, road management, and operational forestry.

SFA forest hydrology and ecology students on a field visit to a Caddo-managed forest in East Texas. © Caddo

Teams from TIG and TTG FS, TIG's subsidiary, also supported workforce development through internships and collaborations with universities and regional forestry programs, as well as participation in education initiatives such as Camp Canopy, an environmental education camp in Ohio.

RECREATION ACCESS

Managed recreational access across TIG's timberland portfolio balances community use with responsible forest stewardship. In 2025, hunting access remained a central component of this approach, with structured hunting leases designed to maintain safety standards, minimize conflicts with operations, and support wildlife management objectives. In addition to hunting leases, TIG maintains selected areas open for public use where appropriate, supporting low-impact activities such as hiking and educational visits.

Members of TTG FS participating in Caddo's Youth Hunt.
© Debbie Foster

At Caddo, the annual youth hunting program continued, offering supervised outdoor experiences for underserved participants. The program introduces youth to ethical hunting practices, wildlife conservation principles, and responsible land stewardship, while also promoting outdoor access for communities that may otherwise have limited exposure to working forests.

RESEARCH

Research and monitoring activities support engagement between TIG, academic partners, and local stakeholders and provide information to improve long-term management. In 2025, this included academic collaborations with four universities and a biologist from the Puyallup Tribe focusing on advancing a shared understanding of forest ecosystems and biodiversity.

Red-eared slider turtle (*Trachemys scripta elegans*) on a Caddo-managed property in East Texas. © TX A&M Natural Resources Institute

At Caddo, wildlife observation and monitoring activities, including turtle surveys supported by camera-based data collection, contributed to field-based learning and improved understanding of species presence and habitat use, while directly involving field teams and external partners in applied ecological research.

Community wellbeing[1]

TIG supported or led more than 10 community wellbeing initiatives that included employee volunteerism, in-kind contributions, and partnerships with local organizations focused on social support, education, and environmental stewardship. In 2025, these efforts focused on disaster response, youth development, community health, and environmental restoration.

KEY HIGHLIGHTS

535
community members benefited[7]

25
community organizations supported

Community support initiatives spanned a range of activities, including donations to Place of Hope, a homeless shelter in East Texas, as well as organizing a community blood drive in partnership with the Gulf Coast Regional Blood Center. Employees also supported a Toys for Tots donation campaign and provided pajama donations to the Family Crisis Center, which serves individuals affected by domestic violence. An appreciation luncheon for the Texas A&M Forest Service further strengthened relationships with public-sector partners involved in forest management and wildfire response.

Environmental stewardship and community safety were reinforced through employee-led efforts such as roadside clean-ups and volunteer work with the Beech Grove Volunteer Fire Department. Engagement with the Texas A&M Forest Service and partner institutions also supported ongoing education and technical outreach, helping to share practical knowledge on forestry practices.

Broader community and environmental partnerships included participation in local events and donation of surplus Douglas fir seedlings for Earth Day activities in Oregon.

Good governance

TIG maintains a strong corporate governance framework that supports responsible, transparent, and ethical business practices across its operations. As part of BTG Pactual, TIG benefits from the bank's policies, oversight structures, and compliance systems, which guide its approach to risk management, anti-corruption, data privacy, and regulatory compliance.

TIG's governance system integrates internal controls, third-party audits, and due diligence processes to uphold high standards of accountability and integrity. Sound governance also underpins TIG's commitment to sustainability and responsible investment. All eligible properties are certified to leading third-party sustainability standards, including the Sustainable Forestry Initiative (SFI), which is endorsed by the Programme for the Endorsement of Forest Certification (PEFC). An environmental and social risk management process is embedded from acquisition through ongoing operations to ensure risks are consistently identified and managed.

Team members conducting an internal audit on a TIG-managed property in the Pacific Northwest. © TIG and subsidiaries

Independent perspectives are incorporated into investment decisions through external participation in fund and strategy committees. TIG's governance approach also extends to people and culture, fostering a workplace grounded in fairness, safety, and performance. This commitment is supported by formal codes of conduct, annual training programs, and a zero-tolerance policy for misconduct, alongside efforts to promote a diverse and inclusive workforce through clearly defined policies and initiatives. To support long-term organizational strength, TIG invests in talent development through structured performance reviews, succession planning, and leadership training, ensuring the continued development of capabilities needed to deliver long-term value.

Communicating results

TIG-managed forest in the Pacific Northwest. © TIG and subsidiaries

Throughout 2025, TIG and TNC shared lessons and insights from the collaboration through publications, industry events, and stakeholder engagement. These activities contributed to broader discussions on sustainable forest management, natural climate solutions, conservation finance, and the role of collaboration in delivering environmental and economic outcomes at scale.

Publications

- **ImpactAlpha Op-Ed:** *Burning for the Bottom Line: Why Fire Belongs in the Timberland Management Toolkit*, co-authored by Charlotte Kaiser (TIG) and Cat Burns (TNC)
- **Prescribed Fire Video Series:** Featuring insights from the leadership and implementation team about making forest management beneficial for biodiversity and operations

Events and speaking engagements

- **London Climate Action Week (LCAW):** Mark Wishnie (TIG), Caitlin Clarke (TIG), and Glen Jeffries (TNC) hosted a discussion on natural capital investment in the U.S., highlighting opportunities to scale sustainable forest management and natural climate solutions through cross-sector collaboration.
- **World Forestry Center CANOPY Conference:** Charlotte Kaiser (TIG) and Greg Meade (TNC) participated in a panel discussion, *The Role of Carbon Finance in Preserving Standing Forests*, examining how carbon markets and innovative financing mechanisms can support long-term forest conservation and sustainable forest management.
- **New York Climate Week (NYCW):** Charlotte Kaiser (TIG) and Cat Burns (TNC) joined a panel discussion at the Doris Duke Foundation Treehouse, *Working Forest Climate Solutions: Delivering Impact at Scale through Collaboration*, exploring how investors, forest managers, and conservation organizations can work together to scale nature-based solutions.

In 2026, TIG and TNC will seek to build on this work by publishing insights from forest conservation efforts, highlighting lessons learned and demonstrating how collaboration can support sustainable forest management, conservation, and climate outcomes at scale.

TOP: M. Wishnie (TIG) presenting at a private lunch hosted by TIG and TNC during LCAW. BOTTOM: C. Kaiser (TIG) and C. Burns (TNC) speaking at the Doris Duke Foundation Treehouse during NYCW. BOTH: © TIG and subsidiaries

Looking ahead

Loblolly pine seedling (*Pinus taeda*). © Caddo

Looking ahead, TIG aims to continue advancing biodiversity outcomes across the Strategy's expanding core U.S. timberland portfolio, building on five years of collaboration with TNC. As new acquisitions are folded into the Strategy, TIG and TNC are refining the process for effectively identifying and implementing conservation targets on these properties.

Additionally, the TIG-TNC collaboration is expanding its monitoring and research efforts to gather evidence about biodiversity impacts resulting from forest management practices. This evidence will inform adaptive management of the portfolio and help identify the most effective approaches for delivering biodiversity benefits within a sustainably managed commercial timberland portfolio. For example, research into how different forest management practices influence understory biodiversity in U.S. South forests can help TIG and TNC identify which practices are most effective.

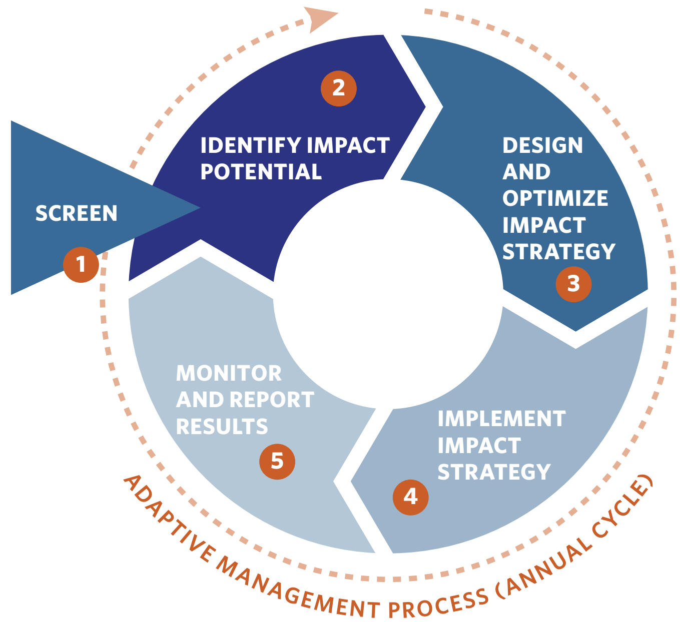
Over time, TIG and TNC hope this work can help translate lessons from individual actions into conservation decisions across the Strategy's broader portfolio, while generating insights that can be shared and applied by other forest managers to advance forest management that seeks to deliver financial performance and conservation benefits at scale.

Appendix A

TIG-TNC impact management process

Screen New Acquisitions for Impact Opportunities

TIG and TNC (1) pre-screen potential new acquisitions for compliance with the Conservation Criteria and Safeguards[26] and make a (2) preliminary assessment of opportunities for conservation impact.



1 Prescreen
2 Biodiversity Assessment and Impact Rating
3 Conservation Memo
4 Integration and Feasibility Assessment
5 Conservation Review

Design and Optimize Impact Strategy

When a property enters the Strategy's portfolio, TIG and TNC jointly design property-specific plans for forest management and permanent protection of ecologically significant areas. TNC also conducts a carbon stock assessment to identify areas that may be suitable for high-quality climate mitigation projects. The (3) Conservation Memo details these plans, as well as a set of conservation targets against which the collaboration tracks progress.

Implement Impact Strategy

TIG and TNC work to (4) integrate the forest management interventions into each property's forest management plan. The teams also pursue conservation transactions, continuously refining the protection targets based on lessons learned.

Monitor and Report Results

Annually, the Conservation Committee conducts a (5) conservation review of the strategy's portfolio to ensure continued compliance of timberland properties with the Conservation Criteria and Safeguards,[26] to verify progress toward the pre-established forest management and protection targets, and to adjust the conservation strategy or propose new conservation targets for each asset.

The team uses GIS data to analyze forest management information and monitor progress of established targets. This desk-based approach is complemented by site visits, the collection of field data and frequent collaboration with on-the-ground managers. The monitoring and reporting strategy aims to verify and transparently disclose outcomes.

Endnotes

1 Source: TIG analysis. All metrics and data depicted as of December 31, 2025.

2 Inclusive of co-investments.

3 Source: Tacoma Public Utilities, 2025. https://www.mytpu.org/about-tpu/services/water/about-tacoma-water/water-quality/filtering-the-water/.

4 Source: TIG and TNC analysis. All metrics and data depicted as of December 31, 2025.

5 Includes areas in streamside management zones (SMZ), areas of permanent protection, areas under conservation easement, areas in other special riparian protection or management, and areas under other special management for conservation, restoration, or habitat related purposes.

6 Source: BTG Pactual Timberland Investment Group as of December 31, 2025. 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 CO_2 equivalent (tCO_2e). 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 by 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.

7 Figures include individuals engaged through all TIG-managed funds in the U.S., as well as employees of TIG portfolio companies and third-party contractor workers who participated in training programs.

8 ImpactAssets 50 2025: Selected for ImpactAssets 50 2025 on 11 March 2025. ImpactAssets is an independent 501(c)3 organization and impact investing firm that seeks to help its clients define and execute on their impact goals. To compile the annual IA 50 list of fund managers, ImpactAssets assembles an annual Review Committee of experienced impact investment leaders. The IA 50 Review Committee selects firms according to a set of criteria developed to ensure that the list includes a diverse set of firms with experience in the field, scale in terms of AUM and investor base, commitment to impact and representing a range of approaches, asset classes and impact areas. Particular consideration will be given to firms that demonstrate a unique strategy, underrepresented impact theme and leadership diversity in view of application pool. 2025 selection based on 2024 data. TIG did not pay a fee to participate in this award.

EF Sustainable Investment Awards 2025: Real Assets Manager of the Year. Awarded on 26 June 2025. The EF Sustainable Investment Awards are issued by Environmental Finance, an online news and analysis service that reports on sustainable investment, green finance, and environmental markets. A judging panel consisting of over 40 investors and industry experts chosen for their knowledge, objectivity and credibility along with the Environmental Finance editorial team reviewed the submitted entry material for this award. Judges scored each entry individually and any conflict of interest was removed. The judge's scores are confidential. Award based on information relating to the period of March 2024 to April 2025. TIG did not pay a fee to participate in this award. However, TIG did pay a fee to Environmental Finance in connection with publishing an announcement of the award and award redistribution rights.

Fund Manager of the Year (Global); Fund Manager of the Year (Americas); Equity Fundraising of the Year (Global); Equity Fundraising of the Year (Americas); Timberland Fund Manager of the Year (Global); Timberland Fund Manager of the Year (Americas). Awards may not be representative of any one client's experience and are not indicative of the future performance of the BTG Pactual Timberland Investment Group, LLC or BTG Pactual. Awarded on March 24, 2025. Awards are based on information relating to the period of November 16, 2023 through November 15, 2024. The Agri Investor Awards are issued by Agri Investor, a source of insight and intelligence for private investment in agribusiness and agriculture globally. The awards were decided by a judging panel of Agri Investor editors based on the submissions received. TIG did not pay a fee to participate in these awards. However, TIG did pay a fee to Agri Investor in connection with award logo redistribution rights.

9 Source: TIG and BTG Pactual. Data as of June 30, 2026. Market capitalization figures represent Banco BTG Pactual S.A. and its affiliates, including TIG. Figures are denominated in US$ and translated using the PTAX BRL/USD exchange rate of 5.1766.

10 Includes management offices of platform companies, as well as single-person and home offices.

11 Defined as resilient, high-quality timberland assets located in deep and stable markets producing consistent cash flows.

12 Congressional Research Service, 2021. https://sgp.fas.org/crs/misc/IF12001.pdf.

13 Goals reflect a percent of total portfolio acreage, which are expected to change over time.

14 This figure includes projections of sequestration potential from two possible carbon projects calculated by a third-party project developer. Additionally, this figure includes 90,000 tCO_2e of sequestration potential from the implementation of improved forest management practices between 2024 and 2031. Carbon volumes associated with improved forest management practices were estimated by multiplying mean above and below ground live and standing dead carbon volumes (derived from forest inventory data analyzed using the Fire and Fuels Extension of the Forest Vegetation Simulator) by projected land area on which these practices will be implemented. Mean per-acre carbon volumes were further adjusted to reflect recommended overstory retention levels within these areas. These estimates do not include future growth of retained trees or deductions for leakage or permanence. These estimated emissions reductions have not been third-party verified and thus are not eligible for sale as credits or for use to offset internal emissions.

15 Map includes Noble Mountain Tree Farm, which is included in TIG's core U.S. Timberland Strategy, but not under advisement from TNC.

16 Acreage calculated as total ownership of Caddo Sustainable Timberlands (Caddo) as of December 31, 2025. BTG Pactual proportional ownership (40%) stake in Caddo is 355,724 acres.

17 Since launch of TNC-TIG collaboration in 2021.

18 Source: Tacoma Public Utilities, 2025. https://www.mytpu.org/about-tpu/services/water/water-source/.

19 Source: Griscom, B.W. et al. Natural climate solutions. 2017. Proceedings of the National Academy of Sciences. https://doi.org/10.1073/pnas.1710465114.

20 Source: Mishra, A., Humpenöder, F., Churkina, G. et al. Land use change and carbon emissions of a transformation to timber cities. 2022. Nature Communications. https://doi.org/10.1038/s41467-022-32244-w.

21 These carbon stocks are not used to offset corporate emissions.

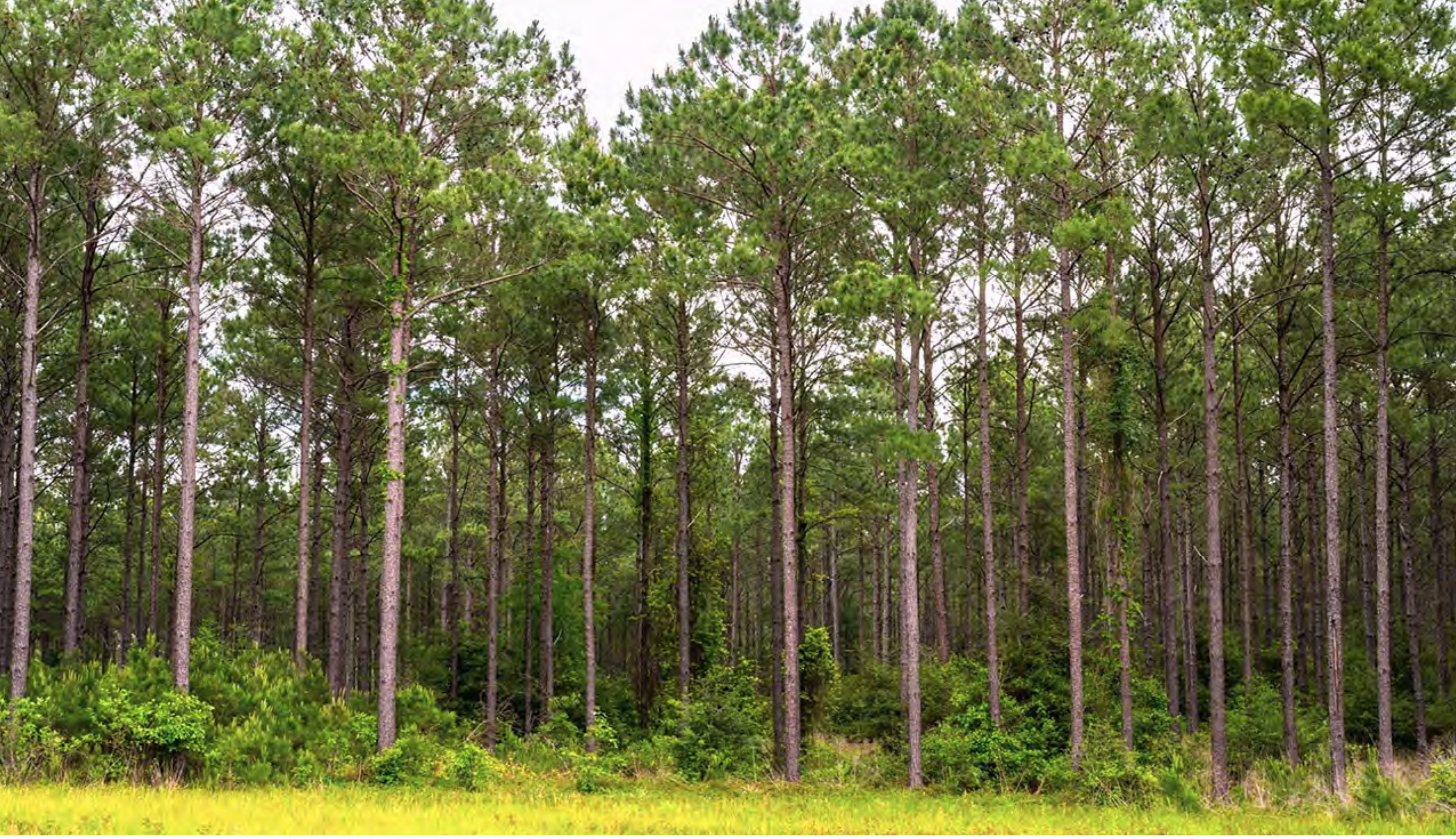
22 Includes entirety of TIG and TIG's U.S. operational subsidiary workforce, including employees not entirely dedicated to the core U.S. timberland strategy.

23 Figures include trainings provided to TIG's portfolio companies' employees.

24 The incident rate calculation is: (N/EH) x 200,000, where N = number of injuries and illnesses; EH = total hours worked by all employees during a 52-week calendar year; and 200,000 = base for 100 equivalent full-time workers (working 40 hours per week, 50 weeks per year).

25 Calculation includes TIG and TTG FS employees.

26 Conservation Criteria and Safeguards include 1.) Forest Management: meet or exceed relevant Best Management Practices, appropriate third-party certification of eligible properties, use of region-appropriate native species; 2.) Land Uses: no conversion of forestland to non-forestland and vice versa, renewable energy development with appropriate mitigation of impacts to timberland, targeting the extraction & development of hydrocarbons is prohibited; 3.) Ecosystems and Biodiversity: Adherence to relevant regulations and standards for threatened or imperiled species or ecosystems both within and outside properties, no investments that may adversely affect native or migratory species or ecosystems, no introduction (and active prevention) of invasive species spread; and 4.) Local Communities seek positive impact on local communities, no violation of labor laws, Fundamental Human Rights Convention, and UN International Labor Organization "Rights at Work," no investments or management practices that may adversely affect local communities, including indigenous peoples.



Caddo-managed pine forest in U.S. South. © Caddo

Disclaimer

This document is being furnished by BTG Pactual Asset Management US, LLC and BTG Pactual Timberland Investment Group, LLC (collectively hereto "BTG Pactual" or the "Manager", as applicable) and the information contained herein does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. Any such offer or solicitation may only be made by means of delivery of an approved confidential offering memorandum and only in those jurisdictions where permitted by law. Prospective investors should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any investments. The information contained herein does not take into account the particular investment objectives or financial circumstances of any specific person who may receive it. Before making an investment, prospective investors are advised to thoroughly and carefully review the offering memorandum with their financial, legal and tax advisers to determine whether an investment such as this is suitable for them. With respect to the present document, the Manager makes no warranty or representation, whether express or implied, and assumes no legal liability for the accuracy, completeness or usefulness of any information disclosed.

Certain information is based on data provided by third-party sources and, although believed to be reliable, it has not been independently verified and its accuracy or completeness cannot be guaranteed and should not be relied upon as such. In addition to exposure to adverse market conditions, investments may also be exposed to changes in regulations, change in providers of capital and other service providers. The Manager does not accept any responsibility or liability whatsoever caused by any action taken in reliance upon this document and/or its attachments.

Nothing in this material constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. The information contained herein does not take into account the particular investment objectives or financial circumstances of any specific person who may receive it. Investments involve risks and investors should exercise prudence in making their investment decisions. All investments involve risk including the loss of principal. Past performance is not indicative of future returns. Logos are trademarks of their respective owners and are used for illustrative purposes and should not be construed as an endorsement or sponsorship of BTG Pactual.

btg pactual | Timberland Investment Group | natureVest | The Nature Conservancy